Word of Mouth, Trust or Online Services: What is the Best Determinant of Muzakki’s Preference in Selecting Zakat Agency?

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Abstract
The number of national-level zakat institutions has decreased since the implementation of Zakat Law Number 23 of 2011, indicating a more organized zakat administration. Nevertheless, in reality, many muzakki still opt not to distribute their zakat through the existing Zakat Management Organizations (OPZ) in Indonesia. Instead, they prefer to directly give zakat to their chosen mustahik. Despite the importance of paying zakat through zakat institutions, it is crucial to comprehend individuals' preferences in this regard. The main objective of this study is to investigate the factors influencing muzakki's preferences for zakat institutions, including trust, word of mouth, and online services. The research is based on empirical data gathered from 132 respondents in Central Java. Multiple linear regression was employed to test the study hypotheses. The findings reveal that all the examined variables, namely trust, word of mouth, and internet services, significantly influence muzakki's choices for zakat institutions. Further analysis indicates that among these factors, online services play the most significant role in shaping muzakki's preferences. The limitation of the study lies in the research sample where Indonesia consists of 34 provinces and only 1 province is involved in this study. This study presents a summary of the relevance of online services in zakat institutions, as previous research on muzakki preferences on zakat payment has never included online service factor.

Keywords: Muzakki Preferences, zakat, word of mouth, online services, trust

Introduction
Following the enactment of Zakat Law number 23 of 2011, there has been a notable improvement in the organization of zakat management, evident through the proliferation of zakat institutions at various administrative levels, from the national level down to local levels. Despite the existence of specific regulations governing zakat in Indonesia, the lack of sanctions imposed on muzakki (individuals obligated to pay zakat) who fail to fulfill their zakat obligation has resulted in an under-realization of zakat collection potential. According to the National Amil Zakat Agency (BAZNAS) report in 2023, the projected zakat potential in Indonesia for the year 2020 was estimated at 327.6 trillion, yet the actual collection only reached 14.2 trillion, indicating a significant discrepancy between potential and actual zakat collection (Pusat Kajian Strategis-Badan Amil Zakat Nasional, 2021).

Moreover, it remains a prevailing reality that a substantial number of muzakki in Indonesia have not taken advantage of the available Zakat Management Organizations (OPZ) to channel their zakat contributions. Instead, a significant majority of muzakki opt to directly distribute zakat to
specific mustahik (recipients of zakat) of their choice. This variance in muzakki behavior regarding zakat payment channels poses a significant challenge when both the central and local governments seek a more targeted and centralized approach to zakat fund management (Amri & Marwiyati, 2019).

Muzakki's behaviour in paying zakat may be influenced by various factors. Despite zakat being an obligatory duty for eligible Muslims, the actual payment of zakat entails several choices. Among these factors, the element of trust assumes a pivotal role in shaping the intention to fulfill zakat obligations, particularly in the context of Indonesia. Unlike many other Islamic countries where zakat management is overseen by government bodies, Indonesia's zakat institutions are managed by non-governmental organizations, subject to scrutiny and assessment by the community. Consequently, the level of trust bestowed upon these zakat institutions significantly impacts the muzakki's inclination to contribute zakat to them or opt for alternative channels. In essence, trust in these zakat institutions bears a decisive influence on the behavior of zakat payers (Sukrianto, Alfansi, Alwi, & Anwar, 2021). According to Alabede (2012), the degree of trust within a community is contingent upon the level of ethnic polarization and diversity present in that society. This indicates that in multi-ethnic societies, variations in taxpayer compliance behavior can be elucidated by the extent of ethnic diversity (Al-Mamun et al., 2014).

Muzakki's preferences are also influenced by information developments in society. There are various personal and impersonal stimuli that affect a person's decision to donate Zakat through personal and non-personal means. It was found that the role of family, friends, relatives and the community is very dominant in paying zakat through personal means (Kashif et al., 2018). Word of mouth, also known as WoM, holds a greater sway over individuals and is more effective in persuading them to purchase products or services compared to other forms of advertising. This is primarily due to the inherent trust people place in direct information received from others. Overall, consumers seek information-sharing as an integral part of their relationships and exhibit a greater inclination to heed the advice of friends, relatives, and colleagues over mass media advertising (Maisam & Mahsa, 2016).

Online services play a significant role in influencing muzakki preferences. Zakat institutions should recognize muzakki behaviors related to habits, lifestyle, and income. For instance, the upper middle class Muslim community is more inclined to use transfer systems or other technologies for zakat payments (Widarwati, Afif, & Zazim, 2017). Zakat institutions need to take the initiative to provide better service to muzakki. This is important to strengthen the trust of prospective muzakki to pay zakat at zakat institutions. The transformation of zakat administration can only be done by increasing the ability of zakat institutions to identify who has to pay zakat and trace potential muzakki (Mahmood, Din, Mamun, & Ibrahim, 2021).

The objective of this study is to examine several determinants that impact muzakki preferences when selecting zakat institutions, including trust, word of mouth, and online services. While existing studies have predominantly concentrated on the determinants influencing muzakki in zakat compliance (Bin-Nashwan & Al-Daihani, 2020; Kasri & Yuniar, 2021; Oktavendi & Mu’ammal, 2022; Purwadani & Ridlwan, 2022; Suki, Suki, & Shokri, 2023), the present study seeks to explore the selection of zakat institutions. This research, to the best of the author's knowledge, is the first to analyze the preferences of muzakki in determining zakat institutions based on the determinants observed in this study. Notably, this research sheds light on the significance of online services within zakat institutions, an aspect that has not been previously explored in studies focusing on muzakki preferences in zakat payment. The findings of this research can serve as a valuable resource and reference for formulating strategic plans to enhance zakat institutions' services, thereby attracting a larger number of individuals (muzakki) to contribute their wealth to these institutions.
Literature Review
Preferences
Consumers express their preferences by selecting among different available products or services. Preference theory enables the analysis of consumer satisfaction, particularly when individuals must make choices with limited resources, leading them to opt for alternative options to maximize the utility or usefulness derived from their consumption. Identifying consumer preferences involves assessing the usefulness and relative significance of each attribute present in a product or service. These attributes showcased in a product or service play a crucial role in attracting consumers and influencing their decision-making.

The evaluation of products and services encompasses consumer attitudes and behaviors related to these offerings. It reflects how consumers perceive and utilize the products or services (Rahardi & Wiliasih, 2016). The people's choice in determining which zakat institution to trust to manage their zakat funds is an expression of their religiosity. In addition, the redistributive economic impact of zakat depends on how it is managed, especially with regard to collection and distribution. The credibility and effectiveness of an institution depends on its organizational management and administration (Rejab et al., 2022). The effectiveness of zakat collection and distribution is highly dependent on the sound governance of zakat institutions. Positive community perceptions and views are closely tied to good governance. Conversely, inadequate management of zakat institutions can have adverse consequences on their future development (Ali, Rashid, Johar, & Aziz, 2015).

There are several zakat institutions in Indonesia, both those formed directly by the government and some formed by the community. The zakat institution formed by the government is the National Amil Zakat Agency or often referred to as BAZNAS and for zakat institutions formed by the community is the Amil Zakat Institution or LAZ. In managing zakat funds in a professional manner, a special body is required that is in accordance with Islamic sharia provisions, starting from the calculation, collection, and management of zakat to its administration.

Trust
Trust in zakat institutions can be described as the reliance placed by individuals obligated to pay zakat on these institutions in terms of their role and obligations concerning the collection and distribution of zakat to the rightful beneficiaries. (Ghazali et al., 2016). Ali et al. (2017) found that paying zakat through a zakat institution is not only influenced by the attitude of the payers but also by their trust in the institution to properly handle the zakat funds and their level of understanding of zakat.

Several studies have shown that trust has a significant effect on the behavior of paying zakat (Ghazali et al., 2016; Martono et al., 2019; Usman et al., 2020). Mobarok and Fanani (2014) state that one of the factors causing the low realization of zakat is trust in zakat institutions. If the institution can show professionalism in managing zakat funds, then the zakat payers will increasingly trust the institution (Martono et al., 2019). Trust plays an important role in zakat institutions because its survival depends dramatically on the collection of zakat from zakat payers (Muhammad dan Saad, 2016).

Hypothesis 1: there is an influence between trust and muzakki preferences in selecting a place to pay zakat.

Words of Mouth
Word of mouth refers to a communication method where individuals, either individually or in groups, offer personal recommendations for a product or service to share information (Kotler & Armstrong, 2014). Customer word-of-mouth (WOM) behaviours involve informal recommendations about products, services, or brand providers to potential customers through diverse communication channels. These actions, characterized by reciprocity, play a significant role in the behavior of paying zakat.
role in building, defining, and sustaining a social brand relationship between brands and customers (Li, Tan, & Gong, 2023). Word of mouth or WoM is one of the ways that has the most influence on people and persuades people to buy products or services more than other advertisements, because people usually believe what they hear directly from other people. In general, consumers need information-sharing as part of relationships and tend to listen to friends, relatives, and colleagues’ advice, more than advertising in the mass media (Maisam & Mahsa, 2016). Communication in the form of Word of Mouth (WoM) has greater power than advertising and other forms of promotion. Word of mouth communication is very effective in providing space for consumer needs. The satisfaction of customers with a product or service has become a pivotal factor influencing word-of-mouth (WOM) communication. Clearly, WOM reflects the satisfaction and preferences of the customers (Liu, Zhou, & Gong, 2016).

Study by Ozdemir, Tozlu, Sen, & Atesoglu (2016) states that Word of Mouth affects preference. Furthermore, Mooradian & Swan (2006) highlights that individuals in various cultures often depend on interpersonal sources of information, such as word of mouth, to gather product information. Hasab (2013) found that Word of Mouth (WoM) has a significant impact on brand switching, surpassing the influence of news, journals, salespersons, and radio advertisements. Consequently, word of mouth holds greater potential than other factors in influencing muzakki’s preferences when selecting a location to distribute their zakat mal.

Hypothesis 2: there is an influence between word of mouth on muzakki’s preferences in selecting a place to pay zakat.

Online Service

The widespread adoption of online technology has led people to embrace the ease and convenience it offers. Online technology is a crucial factor influencing the amount of zakat collection funds. Zakat institutions are increasingly relying on online services as an effective strategy to encourage muzakki to distribute their zakat. Developers of online transaction platforms are attentive to user convenience, ensuring that the systems are user-friendly and appealing to most individuals adapting to technological advancements (Thaker, Pitchay, Thaker, & Amin, 2019). Based on several relevant studies related to online services in distributing zakat carried out by Hidayat & Mukhlisin (2020), Nilawati & Rijal (2020) and Sakka & Qulub (2019) shows that online zakat services have a significant influence. This is evidenced by the increase in zakat funds after implementing online zakat services.

Hypothesis 3: there is an influence between online services on muzakki’s preferences in selecting a place to pay zakat.

Figure 1. Conceptual Framework
Method
This study employs a quantitative research design that aims to make predictions and test theories using appropriate instruments. The target population for this research comprises all Muslims residing in Central Java. This location was chosen due to its notable percentage of impoverished individuals compared to other provinces in Java, such as West Java and East Java, as indicated by BPS data (2022). Currently there are 36,773,442 of Muslim population in Central Java. The study involved 132 respondents, selected through purposive sampling. The respondents had to meet three specific criteria: being Muslim, having a job, and being obligated to distribute zakat mal. Additionally, they must have already distributed zakat through zakat institutions. Data collection was conducted using online questionnaires, a common method for gaining insights into consumer opinions and preferences. This study used a Likert scale of 1-5, where a score of 1 means strongly disagree and a score of 5 means strongly agree. The research variables consist of demographic variables, independent variables, and dependent variables. The list of all research variables is summarized in the table below:

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Indicator</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Name</td>
<td>Identity</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Gender</td>
<td>Male</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Usia</td>
<td>20 – 30 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>31 – 40 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>41 – 50 years</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;50 years</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Occupation</td>
<td>Civil servant</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Businessman</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Trust</td>
<td>Reliability</td>
<td>(Kusmayadi, 2009)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Honesty</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Concern</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Credibility</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td><strong>Word of Mouth</strong></td>
<td>Giving advice of an institution to others</td>
<td>(Kotler &amp; Armstrong, 2014)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sharing personal experiences with an institution with others</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Talking positively about an institution to friends</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Highly recommend an institution to friends or people you know</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Online services</td>
<td>Efficiency</td>
<td>(Parasuraman, Zeithaml, &amp; Malhotra, 2005)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fulfillment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>System Availability</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Privacy</td>
<td></td>
</tr>
</tbody>
</table>

The research hypothesis was tested using multiple linear regression methods. To find out how the three independent variables influence, namely Trust (X1), Word of Mouth (X2), and Online Services (X3) on muzakki's preferences in choosing a place to distribute zakat mal (Y), the following multiple regression statistical analysis formula is used:
Y = a + b_1X_1 + b_2X_2 + b_3X_3

Y = Muzakki Preference  
a = Constanta  
X_1 = trust  
X_2 = Word of Mouth  
X_3 = Online service

**Result and Discussion**

The objective of this study was fourfold: (1) To examine the impact of trust on muzakki's preferences in selecting a location for zakat payment. (2) To investigate the influence of word of mouth on muzakki's preferences in choosing a place for zakat payment. (3) To analyse the effect of online services on muzakki's decisions in selecting a location for zakat payment. (4) To assess the combined influence of trust, word of mouth, and online services on muzakki's preferences when choosing a place to pay zakat.

**Demographic Analysis of Respondents**

The respondents' characteristics were classified based on gender into two groups: male and female. There were 50 male respondents, accounting for 38% of the total, and 82 female respondents, constituting 62% of the total. Regarding age, the respondents were categorized into four groups: 20-30 years, 31-40 years, 41-50 years, and above 50 years. The findings showed that 28 respondents were aged between 20 to 30 years, making up 21% of the sample. Respondents aged 31 to 40 years were 33 in number, representing 25% of the sample. The age group of 41 to 50 years consisted of 45 respondents, accounting for 34% of the sample, and respondents above 50 years were 26 in total, comprising 20% of the sample.

**Validity, Reliability and Classical Assumptions**

A validity test by accurately presenting data from variables without deviating from the real-world situation. To be considered valid, the minimum requirement is a correlation coefficient (r) of 0.3 or higher between the factor scores and the total score. Any correlation below 0.3 indicates invalid items in the instrument. The results of the validity test revealed that all the questions in the study were valid. Additionally, the reliability test also confirmed that all the questions were reliable. Furthermore, the classic assumption test, which includes normality, multicollinearity, and heteroscedasticity tests, demonstrated that the residual values of the research data followed a normal distribution, there was no multicollinearity among independent variables, and all variables did not exhibit heteroscedasticity issues.

**Multiple Linear Regression Analysis**

The t-test or partial test aims to determine whether or not there is an influence between the variables of trust, word of mouth and online services on muzakki's preference in choosing a place.
to distribute zakat mal. The process of testing temporary assumptions (hypotheses) in this study uses multiple linear regression tests because it uses more than one variable. By comparing the calculated t value with the t table value, it can be seen whether the hypothesis is accepted or rejected. The results of the multiple linear regression test can be seen in tabular form as follows:

**Table 2. Result of Multiple Linear Regression**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>10,846</td>
<td>2,913</td>
<td></td>
<td>3,723</td>
</tr>
<tr>
<td>X1</td>
<td>0,255</td>
<td>0,102</td>
<td>0,177</td>
<td>2,493</td>
</tr>
<tr>
<td>X2</td>
<td>0,300</td>
<td>0,107</td>
<td>0,196</td>
<td>2,812</td>
</tr>
<tr>
<td>X3</td>
<td>0,347</td>
<td>0,047</td>
<td>0,527</td>
<td>7,314</td>
</tr>
</tbody>
</table>

According to the information presented in the table above, the regression analysis yielded an equation, as follows:

\[
Y = 10,846 + 0,255X_1 + 0,300X_2 + 0,347X_3
\]

**Hypothesis testing**

**Partial Test (T-test)**

The t test was carried out with the aim of being able to find out whether or not there is a relationship between the independent variable and the dependent variable partially. Regression results from the t test can be seen in the significance column (Sig.). Based on the t test results table, the explanation of the t test for each variable is as follows H0 is rejected, and H1 is accepted, indicating that the trust variable (significantly influences the muzakki preference variable in selecting a location for zakat mal distribution. Also, word of mouth variable has a significant influence on the muzakki preference variable in choosing a place to distribute zakat mal. Lastly, online service variable significantly affects the muzakki preference variable in selecting a location for zakat mal distribution.

The variable with the highest beta coefficient value can be considered the most influential. According to the t-test results table provided above, the online service variable holds the highest beta coefficient value, which is 0.527. Therefore, it can be inferred that the online service variable (X3) is the most dominant factor in influencing muzakki's preferences when selecting a location for zakat mal distribution.

**Simultaneous Test (F Test)**

Simultaneously, the variables of trust, word of mouth, and online services have a significant effect on muzakki’s preference in choosing a place to distribute zakat mal as shown in table 3. Based on the table 4, the determinant test results reveal an R square value of 0.600. This indicates that the variables, trust (X1), word of mouth (X2), and online services (X3), collectively influence muzakki preferences (Y) by 60%. The remaining 40% of the influence is attributed to other variables not examined in this study.

**Table 3. Result of F-Testing**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>f</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>2053,598</td>
<td>3</td>
<td>684,533</td>
<td>64,087</td>
<td>0,000</td>
</tr>
<tr>
<td>Residual</td>
<td>1367,212</td>
<td>128</td>
<td>10,681</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Discussion

The results of the study indicate that all the factors studied, including trust, word of mouth, and online services have a significant effect on muzakki preferences in choosing zakat institutions. Through further analysis it is known that the online service factor is the variable that has the most dominant influence among the three. The results of the analytical tests indicate a significance value of 0.014, which is lower than the alpha value of 0.05. This suggests that H0 is rejected, and H1 is accepted, demonstrating that trust significantly influences muzakki's preferences in selecting a location for paying zakat.

Trust is of great significance for a zakat institution, as it serves as the foundation for building a positive impression among muzakki who wish to distribute their zakat. To gain muzakki's trust, a zakat institution must effectively communicate its value, advantages, and credible credentials. Trust is developed gradually through a process of building belief and confidence in the products or services offered by the institution, ultimately creating a valuable and trustworthy image. In general, individuals paying zakat prefer to have clear information about the recipients and the exact beneficiaries of their zakat. They want to ensure that their funds are utilized appropriately and not wasted by reaching those who are ineligible or undeserving of the zakat support (Ahmad & Yahaya, 2023). The level of trust is closely linked to the community's perception of the accuracy and efficiency of ZISWAF (zakat, infaq, sadaqah, waqf) funds distribution. This involves ensuring that the zakat funds collected from muzakki reach the intended recipients (mustahik) accurately and effectively. The community's trust is influenced by how well these funds are utilized to implement innovative and productive programs aimed at improving the welfare of the beneficiaries (Hasyim, Awwal, & Amin, 2020). The result of this study is supported by the previous research of Inayah and Muanisah (2018) which indicates a significant relationship between the trust variable and muzakki loyalty level. It demonstrates a strong correlation between muzakki's trust in the Amil Zakat Agency (BAZ) and their loyalty, highlighting the crucial role of trust in fostering muzakki loyalty towards making zakat payments through BAZ.

Word of Mouth significantly influences muzakki's preferences in selecting a location for zakat payment. Word of Mouth (WoM) is a marketing strategy where producers aim to encourage consumers to share positive recommendations about their products or services with people they know. The study findings reveal that WoM has a significant influence on muzakki's preferences, making it an effective promotional approach. This is because people generally trust recommendations from those closest to them compared to direct promotions carried out by zakat institution. WoM's impact on product/service consumption is greater than other communication channels like advertising or editorial recommendations (Putranti & Pradana, 2015). The research presented here contradicts the findings of a previous study by Afdloli (2016) which indicates a relatively weak relationship between word of mouth and the intention to give professional tithes...
to private employees. However, this current study reveals that word of mouth significantly influences muzakki's preferences in selecting a location for zakat payment.

Next, the conducted analysis resulted that online services significantly influence muzakki's preferences in selecting a location for zakat payment. Service quality holds significant importance for an organization, both in terms of meeting customer expectations before and after service. To encourage Muslims to pay zakat through zakat institutions, it is crucial to enhance satisfaction with the zakat distribution process (Zainal et al., 2016). As an organization that manages public funds, the credibility of zakat institutions is also influenced by customer perceptions of the services provided. In this context, online services offered by an agency provide more benefits for consumers. Utilizing online services in zakat payment centers can expand outreach to more muzakki. Moreover, online services contribute to enhancing the institution's image, fostering greater consumer trust in the products or services provided. Online services can serve as an effective fundraising strategy to collect more zakat funds, streamlining the process for agencies to gather zakat contributions.

The results of this study are supported by the study of Hidayat & Mukhlisin (2020) which shows that online zakat services have a significant influence. This is evidenced by the increase in zakat funds after implementing online zakat services. Likewise with this study which shows that online services have a significant influence on muzakki's preferences in selecting a place to pay zakat. The digital zakat program demonstrates a remarkably high level of efficiency in both its operations and the total collection of zakat funds (Saharuddin, Anggraini, & Jamila, 2019). According to Humaidi, Umar, Abdullah, & Khaerunnisa (2022), digital fundraising for receiving zakat is approximately four times greater than manual fundraising. As a result, there are substantial variations in the receipt of zakat funds between digital fundraising and manual methods (Humaidi et al., 2022). Furthermore, based on research conducted by Mauludin & Herianingrum (2022) on various LAZs in the City of Jakarta, that digital zakat has a positive effect on zakat collection. Not only that, this research also implies that there is a positive relationship between digital zakat and the performance of zakat institutions.

Establishing trust is a crucial aspect for a zakat institution as it leads to muzakki's continued loyalty in contributing their zakat. Trust is gradually developed, accumulating over time, and signifies our belief in specific products (Amir, 2005). Additionally, the innovative marketing strategy of word of mouth shows promise in attracting more muzakki. Through positive recommendations shared among close friends and relatives, word of mouth (WoM) serves as a personal communication process promoting a product or service (Kotler & Armstrong, 2014). Furthermore, the online service variable is a significant factor that appeals to muzakki in depositing their zakat funds (Sutomo et al., 2015). A zakat institution offering online services facilitates muzakki in contributing their zakat due to its convenience and practicality. The research examines three variables, namely trust, word of mouth, and online service, to determine their impact on muzakki's preferences when selecting a zakat institution. The results demonstrate that these three variables collectively have a significant influence on muzakki's preferences for zakat payment. This study is consistent with previous research conducted by Muslih (2020), which also highlights the significant impact of variables such as trust, quality, credibility, and transparency on muzakki's preferences when choosing to pay zakat through a zakat institution (LAZ).

CONCLUSION

The findings of the research suggest that trust, word of mouth, and online services all significantly influence muzakki preferences in selecting zakat institutions. Upon conducting a deeper analysis, it becomes evident that the online service factor holds the most dominant influence among the three variables. This research carries essential managerial implications, particularly for Zakat Institutions. They can enhance their services and introduce innovative approaches to reach a broader community for zakat payment. The study's findings highlight that online services play a
dominant role in influencing people's decision to distribute their zakat. This underscores the importance of Zakat Institutions having well-established online services to attract more individuals to contribute their zakat through these platforms. However, it is essential to acknowledge certain limitations in the research, such as the restricted number of variables and the scope of the research samples, which only included one province out of Indonesia's 34 provinces. As a result, it is encouraged that future research expands its investigation to encompass a broader range of variables that might affect muzakki preferences. As mentioned earlier, this study did not explore several other variables that could potentially influence individuals in their zakat payment preferences.

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