

MUSLIMS PERCEPTION ON ONLINE ZAKAT USAGE IN KUALA LUMPUR

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ABSTRACT

This paper aims to examine the relationship of perceived usefulness, perceived ease of use, security and privacy, and trust on online *zakat* usage. A survey approach has been adopted in this study where the data were collected via structured questionnaire. The questionnaire was distributed to 360 respondents of private and government employees in Kuala Lumpur, Malaysia. In this study, the researchers developed a new construct in measuring the online *zakat* usage. The data were then quantitatively analyzed using SPSS program. The finding shows that all independent variables are correlated significantly with online *zakat* usage. Further analysis using multiple regression analysis indicates that only trust, perceived ease of use and perceived usefulness are significant influence on online *zakat* usage. The results reported in this research are useful to both knowledge and practical aspects by providing relevant data about online *zakat* usage. This study suggested to *zakat* institutions that trust, perceived ease of use and perceived usefulness, are important in encouraging online *zakat* usage. Thus, the results of this study can be a guideline to the *zakat* institutions to make improvement in terms of online *zakat* usage in the future.

Keywords: Online *zakat* usage, *zakat* institution, perception, Kuala Lumpur.

INTRODUCTION

Historically, since the time of Prophet Muhammad (PBUH) and the Companions, the introduction of *zakat* gave a significant impact throughout Islamic history. The obligation to pay *zakat* on wealth was received by the Prophet Muhammad (PBUH) in 9 A.H. Prophet Muhammad (PBUH) was given an order to manage *zakat* under his leadership. The second caliph, Umar Al Khattab was the person who originally initiated the initiatives for proper *zakat* management after the death of Prophet Muhammad (PBUH), whom also known as the Muslim World Transformer (Htay & Salman, 2014).

Zakat is proved to be one of the corrective measures of poverty eradication in Islam (Sadeq, 1997). The history of *zakat* development had been the essence for the *zakat* institutions today. Traditionally, the *zakat* payment was made directly to those employed to collect the funds (*amil*) or through the *zakat* counters.

Throughout the years, various changes and enhancement can be seen in the management of *zakat*. According to Kaslam (2009), the aims of improving the *zakat* system are to make *zakat* service delivery easier, to reduce the layers of *zakat* procedures and management practices, and also to enable the individuals or business institutions to find information.

In Malaysia, all aspects pertaining to the administration of *zakat* are under the jurisdiction of the states through the State Islamic Religious Councils (SIRCs). There are a total of fourteen SIRCs, which consists of thirteen states for the state and one for the federal territory (Wahab & Rahman, 2011). Hence, a different management and implementation of *zakat* may be varying between the different states depending on their governing law of each state.

Federal Territory Zakat Collection Center (PPZ-MAIWP) is among the leading examples of professional *zakat* institution in Malaysia. The enhancement of *zakat* management by PPZ-MAIWP continues with the introduction of online *zakat* portal in August 2011. *Zakat* portal not only offers 24 hours *zakat* payment system, but the users also can check their *zakat* statement, learn how to calculate *zakat* payment. The portal also offers updates on the current Islamic issues in the country.

Since its establishment, the *zakat* collections through the portal show continuous increase year by year. The statistics of *zakat* collections through the portal (PPZ-MAIWP) in 2013 were RM5,873,545.67 with 5,669 contributors (Laporan Zakat, 2016). The total collections through the portal for 2014 were RM8,476,197.15 with 7,145 contributors and this number is undeniable increasing every year. However, the collections through counter do not show any decrement but even more additional counters are opened and many new agents are appointed to help in managing *zakat* collection. Therefore, this study explore is there any issue of perceived usefulness, perceived ease of use, security and privacy, and trust on online *zakat* usage.

LITERATURE REVIEW

Online Zakat Usage

Online *zakat* usage is the platform to facilitate the *zakat* contributors to update their account by simply registering as a user in the portal and the online user can check the information of *zakat* payments during the year, print *zakat* statements, update personal information, and fulfill *zakat* obligations directly via e-*zakat* pay. This definition is supported by Paizin (2014), where *zakat* portal allows users to get lots of information and make payment direct payment using the portal.

With regard to *zakat* affairs, three different technological advancements are found available in *zakat* institutions namely *zakat* payment systems (ZPS), operational websites (WEB) and computerized *zakat* systems (CZS) (Wahab & Rahman,

2013). Through random observations of several *zakat* institutions' websites in Malaysia, these institutions have introduced various types of online payment as an alternative for *zakat* payers to perform their religious obligation (Yaakub et al., 2015).

E-zakat is one of the service deliveries electronic online that is newly introduced by *zakat* institutions; aiming to provide better *zakat* service delivery to the people in Malaysia (Kaslam, 2009). The total of *zakat* collection has been increased drastically year by year recently. It might due to some factors like easy paying method (for instance, we can pay *zakat* online now), efficiency of *zakat* management, *zakat* institution privatization, growth of *zakat* payers and their incomes and so on (Ibrahim, 2014). Nevertheless, studies carried out on online *zakat* usage are very limited. Hence, this study is expected to contribute to the dearth of literature on *zakat* institutions especially on online *zakat*.

Bakar et al. (2016) have found that, their respondents strongly agreed that it is an easier and faster way to get information regarding *zakat* through the websites of the *zakat* institutions. The result shows that there is a significant and positive effect of perceived usefulness on intention to use new media. In addition, the variation in intention to use of new media can be explained by the perceived of use.

Even though *e-zakat* has been deployed since 2002, the finding shows that 29 percent of the *zakat* payers in Selangor are still not aware of the system. Apart from that, only very few of the respondents used *e-zakat* system for their *zakat* payment. Most of the respondents prefer the traditional way of *zakat* payment which is over the *zakat* counters (Roni & Tarmidi, 2015).

In order to increase the understanding on online usage, the discussion will be extended to other area especially online banking usage. Traditional financial institutions seek to lower operating costs, improve customer banking services, retain customer, reduce their branch networks, and downsize the number of their service staff. Based on a research done by Shaari & Ali (2005), 92.6 percent of the bank managers believed that internet banking would reduce the frequency of customer visits to a physical bank. Implementation of internet banking as a strategic weapon for survival would likely diminish the existence of the brick-and-mortar banks.

The situation appears to be occurring in the banks where when the system check or cash deposit machines and internet banking was introduced, at the same time, the bank counter businesses are reduced and there are counters closed or some operations are downsized. The indirect cost of the institution's operations can also be reduced by offering internet banking services. This statement is supported by Parisa (2006).

Internet banking permits the users to perform an extensive range of banking transactions electronically via the bank's website. The study in Singapore revealed

that attitudinal and perceived behavioral control factors play a significant role in influencing the intention to adopt internet banking (Tan & Teo, 2000).

In particular, perceptions of relative advantage, compatibility, trial ability and risk towards using the internet were found to influence intentions to adopt internet banking services. In addition, confidences in using such services as well as perception of government support for electronic commerce were also found to influence intentions. Tan & Chong (2010) also clarified that, although a lot of spending has been spent in developing online banking infrastructure, findings revealed that consumers have yet to adopt the systems in spite of their availability and convenience. As such, the study investigates the factors that affect the acceptance of online banking in Malaysia. The finding of the study indicated that social influences, perceived usefulness, trust and perceived ease of use were positively associated with the intention to adopt online banking.

The study by Chong et al. (2010) empirically examined the factors that affect the adoption of online banking in Vietnam. Perceived usefulness, perceived ease of use, trust and government support were examined. The result showed that perceived usefulness, trust and government support all positively associated with the intention to use online banking in Vietnam. In addition, the research by Poon (2007) showed that, ten identified factors are significant with respects to the user's adoption of e-banking services in Malaysia. Privacy and security are the major sources of dissatisfaction; meanwhile, accessibility, convenience, design and content are sources of satisfaction. Besides, the speed, product features availability, and reasonable services fee and charges, as well as the bank's operations management factor are critical to the success of the e-banks.

Perceived Usefulness

Davis (1989) refers perceived usefulness as the degree to which someone believes that using a particular system would enhance their job performance. The definition is taken from the word useful; that means capable of being used advantageously.

Bakar et al. (2016) have found that, 44.3 percent respondents strongly agreed that it is more convenient to get information regarding *zakat* through social media. The result shows that there is a significant and positive effect of perceived usefulness on intention to use new media. Amin et al. (2014) reported that perceived usefulness is significant in influencing one's decision to perform online *waqf* acceptance among bank customers in Kota Kinabalu.

In other studies, most of the literatures are centered on online banking. For example, in the research done by Suh & Han (2002), perceived usefulness have positive impacts on the attitude towards using internet banking been confirmed. Customer perception of the perceived usefulness effect attitude significantly. Lean et al. (2009) reported that perceived usefulness was a significant driver

for the intention to use e-government services. Amin (2009), and Guriting & Ndubisi (2006) also examined about online banking acceptance in Malaysia. Both studies reported that perceived usefulness was a strong factor of online banking acceptance among bank customers.

The research by Tan & Chong (2010) has mentioned that, perceived usefulness was found to be significantly related in predicting the intention to adopt online banking in Malaysia. Chong et al. (2010) also mentioned, perceived usefulness is found to be significant determinant to predict the intention to use the internet banking in Vietnam.

Furthermore, perceived usefulness is also found in mobile personal computer context. For instance, a study by Ramayah & Suki (2006) on mobile personal computer (MPC) also found that perceived usefulness was a strong determinant of MPC acceptance among students in University Sains Malaysia (USM). The result of their study indicated that perceived usefulness was the driver of the intention to use in internet banking, which means if the system is useful, therefore the willingness of bank customers to use the system will be likely higher.

On the other hand, many studies have also extended perceived usefulness into a newly context of government institutions as well as private institutions. Therefore, by using these studies, it is hoped that the importance of the construct could be extended to online *zakat* context.

Perceived Ease of Use

Perceived ease of use is defined as the degree to which a person believes that using a specific system would be free of effort (Davis, 1989). This follows from the definition of ease that means freedom from difficulty or great effort.

The results of the study by Alam et al. (2009) showed that the association between ease of use and internet banking adoption is not significant. The researchers concluded that corporate customer found that internet banking is a complex procedure. Bakar et al. (2016) has revealed that, 51.3 percent of the respondents strongly agreed to the statement that getting information regarding *zakat* through social media can be done at any time and any place. The result shows that there is a significant and positive effect of perceived ease of use on intention to use new media.

Most studies found that perceived ease of use is important in influencing the use of online payment system. Guriting & Ndubisi (2006) for instance, reported that there is positive relationship between perceived ease of use with behavioral intention to use internet banking in Malaysia. By the same token, Ramayah & Ignatus (2005) also found that perceived ease of use was significantly related to intention in online shopping.

The findings of the study by Tan & Chong (2010) showed that perceived ease of use is a significant barrier in the acceptance of online banking in Malaysia. Poon (2007) stated that one of the critical factors that affect the adoption of e-banking is convenience. The findings of the research showed that majority of the respondents view e-banking as convenient, in which time and place flexibility of the system is perceived as an effective way that enables transactions to be done. Besides that, more than half of the respondents also agree that e-banking is easy login, easy to use and user friendly.

Furthermore, Luarn & Lin (2005) also found that there is an existing positive connection between perceived ease of use and usage intention. Similarly, in the study of Ramayah & Ignatus (2005) which examined the factors affecting students' intentions to use an online bill payment found that perceived ease of use was significant driver of intention to use online bill payment.

Other than that, in the study of Kleijnen et al. (2004) about wireless finance in Netherlands, they found that perceived ease of use was a significant measure in the development of people intention to use wireless finance. Similarly, Ramayah et al. (2003) examined that perceived ease of use had significant impact in the development of initial willingness to use internet banking. These studies however have rendered different focus of research, in which the issue of online *zakat* is rarely addressed. By reviewing the literatures, it is hoped that perceived ease of use could be generalized to a new context of online *zakat*.

Security and Privacy

Sathye (1999) refers that, some contend that security concerns among banks and customers are keeping both away from internet banking. As identified, security concerns and lack of awareness about internet banking and its benefits stand out as the obstacles to non-adoption of internet banking in Australia. The survey done showed that, 75 percent of the total respondents had security concerns. The literature on internet banking in Australia does identify security concerns as one of the prime reasons for slow adoption by customers.

Tan & Chong (2010) have identified that, the greatest challenge among the online transaction sector is winning the trust of customers in the issue of security. However, the result of the study showed that the perceived security risk has not been supported as an important predictor on the adoption of online banking in Malaysia. Besides that, the study by Poon (2007) indicates that security factor has the highest Cronbach alpha score for the user's adoption of e-banking services in Malaysia. Privacy factor also influences the adoption of e-banking services. About 56 percent of the respondents perceive that confidential information is not delivered safely from banks to consumers.

Suh & Han (2002) have found that, the customers were very uncomfortable when asked to provide more sensitive information such as credit card numbers.

Customers were more concerned about electronic commerce security when they process more sensitive personal information. Internet banking sites are one of the locations where the most sensitive personal information is manipulated especially the financial information. Pikkariainen et al. (2004) have mentioned, as the amount of product and services offered via the Internet grows rapidly, consumers are more and more concerned about security and privacy issues. Based on the survey conducted, security and privacy do not statistically have significant affect the use. Moreover, security and privacy were found to have a relatively weak relationship with online banking acceptance.

Security is one of the very important factors in determining the decision of consumers to use internet banking. The result of the survey showed that the association between security and internet banking adoption is significant at 0.05 levels. The researchers concluded that users are still doubtful of the confidentiality and safety of the technology (Alam et al., 2009). Obviously, internet transactions will not be adopted unless it is considered safe and secure by the customers. Hence, this study will be extended the security and privacy factor in the context of online *zakat* usage.

Trust

Morgan & Hunt (1994) conceptualize trust exists when one party has confidence in an exchange partner's reliability and integrity. Willingness to act is implicit in the conceptualization of trust and therefore, one could not label a trading partner as trustworthy if one were not willing to take actions that otherwise would entail risk. McKnight & Chervany (2002) classified the definition of trust into four types: Disposition to trust, institutions-based trust, trusting belief, and trusting intention.

The research done by Suh & Han (2002) indicated that trust is another belief that has an impact on the acceptance of internet banking. Based on the research, it is observed that trust has an impact on the customer's attitude towards using internet banking. Trust had a significant positive impact on behavioral intention to use internet banking. Trust was found to be significantly related in predicting the intention to adopt online banking in Malaysia (Tan & Chong, 2010). The study from Chong et al. (2010) showed that trust in security and privacy of online banking will influence the adoption of online banking in Vietnam. Without proper security and privacy protection, the users will not use the online banking services provided by the banks.

Rexha et al. (2003) believe that overall customer satisfaction with the bank will be directly related to the level of trust within the relationship. It was found that trust was the key factor influencing the adoption of electronic banking. The cumulative effects of customer satisfaction were found to have a positive impact on trust directed towards the bank, and this greatly impacted on the propensity to use electronic banking. The researcher concluded that only when corporate customers

have built strong trust in their banks they would contemplate the adoption of electronic banking.

Flavian et al. (2005) have mentioned that, trust is one of the variables that have attracted major interest in the academic community. The study analyzed how the corporate image of a financial institution influences the trust that a customer places in it. Specifically, it has evaluated how this relationship of image-trust manifests itself in the distribution of financial services by means of traditional channels as well as in distribution via the internet. The result obtained showed that corporate image is a factor that significantly influences the trust that customers place in a financial institutions, as much in the case of a traditional bank as in a bank that operates on the internet.

Islam perceives ownership as trust (an *amanah*). There is no absolute ownership for human beings, rather it is relative. A part of one's assets is the rights of other people. A part of the assets is levied in the form of *zakat* (Triwuyuno, 2004). It can be seen that there is no study which comprehensively examining the online *zakat* usage. Despite of the limitation, this study explores the online *zakat* usage in Kuala Lumpur and the determinants affecting the online *zakat* usage.

Hypotheses Development

This study attempts to fill in the gap by providing insights from Muslims perception towards online *zakat* usage. This is done by creating the possible factors that might affect the online *zakat* usage. The independent variables namely, perceived usefulness, perceived ease of use, security and privacy, and trust will be analyzed to identify how much variance of these independent variables influence the online *zakat* usage. Therefore, the study aims to investigate the following main hypotheses:

H1: Perceived usefulness, perceived ease of use, security and privacy, and trust have significant correlation with online *zakat* usage.

In this study, all the independent variables involved, namely perceived usefulness, perceived ease of use, security and privacy, and trust will be analyzed to see the correlation with the online *zakat* usage. The test will be used to determine the correlation between the dependent and independent variables is Pearson correlation.

H2: Perceived usefulness, perceived ease of use, security and privacy, and trust will significantly explain the variance of online *zakat* usage.

In this study, the independent variables namely, perceived usefulness, perceived ease of use, security and privacy, and trust will be analyzed to identify how much variance of these independent variables influence the online *zakat* usage. The test that will be used to determine the variance is multiple regressions.

Sampling and Data Collection

Data for this study were collected from private and government employees in Kuala Lumpur. Self-administered questionnaire were personally distributed to 360 private and government employees who working around Kuala Lumpur. The data collection was done in November 2016 and the process takes about three weeks upon completion. The respondents were 58.9 percent female employees and the rest were male. 49.7 percent of the respondents in the range of 21 to 30 years old. Majority of the respondents were degree holder (64.4 percent) and working in private sector (82.5 percent).

Data Analysis

The data collected in the study were analyzed using Statistical Package of Social Sciences (SPSS 23.0). Before the data collected analyzed, the validity of the developed constructs was closely examined by using factor analysis. Then the reliability of the constructs was verified. The data analysis began with descriptive statistics in explaining the sample's basic information.

Subsequently correlation analysis was used to examine the correlation of the variables of dimensions. Finally the regression analysis was adopted to test the factors which influence online *zakat* usage.

Measurement

The survey instrument for perceived usefulness (Amin et al., 2014), perceived ease of use (Amin et al., 2014), security and privacy (Pikkarainen et al., 2004) and trust (Flavian et al., 2005) were borrowed from the previous studies with Cronbach alpha value ranging from 0.888 to 0.897. However some improvement on items were made and added to the constructs to suit with the environment of the study. For example, one of the items used in measuring perceived usefulness has been changed from the original of "I would find online waqf is useful in conducting my welfare activities" to "I would find online *zakat* is useful in conducting my *zakat*-related activities". Meanwhile, the measurement of online *zakat* usage variable used in this study is fully constructed by the researchers. The constructs of variables were discussed with experts and potential respondents to check for its content validity. Exploratory factor analysis was performed to validate the instruments. The items of the constructs were measured using five-point Likert scale ranging from 1 – strongly disagree to 5 – strongly agree.

Validity and Reliability Analysis

The variables for online *zakat* usage as dependent variable was developed using nine items. The eigenvalue for this factor is 6.73 and explains a total of 67.31 percent of the variance with factor loading between 0.76 and 0.87 (**Table 1**).

Table 1:**Factor Analysis for Online Zakat Usage**

Items Loading	Loading
I find <i>zakat</i> website very useful.	0.776
I get information that I need from <i>zakat</i> website.	0.759
I can access information from <i>zakat</i> website anytime that I want.	0.826
Using online <i>zakat</i> makes it easier for me to pay my <i>zakat</i> .	0.844
I use <i>zakat</i> website to update my personal information.	0.810
I use <i>zakat</i> website to update my <i>zakat</i> statement.	0.832
I use <i>zakat</i> website to estimate my <i>zakat</i> payment.	0.815
I can directly pay my <i>zakat</i> through online.	0.872
I am satisfied when using <i>zakat</i> website.	0.830
I will use <i>zakat</i> website frequently in the future.	0.834
<i>Eigenvalue</i>	6.731
<i>Percentage of variance</i>	67.31

The criteria used in order to identify the factor that the eigenvalue must be greater than 1. This factor has explained 67.305 percent of the variations in the items. According to Hair et al. (1998), the values of 60 percent of the total variance are considered as satisfactory in the social sciences criterion. In addition, in this study, the selected point of significant loading is 0.40 as proposed by Hair et al. (1998) for 360 of samples. Therefore, it can be concluded that, the questions which were previously listed in the dependent variable are valid to be used for this study. All the questions consist of high factor loading and cannot be rotated since only one component is extracted.

RESULTS

For the purpose of this study, Pearson correlation and multiple linear regression analysis is used to examine the significant relationship and the influence of perceived usefulness, perceived ease of use, security and privacy, and trust toward online *zakat* usage in order to test the research hypotheses.

The correlation between perceived usefulness, perceived ease of use, security and privacy, and trust on online *zakat* usage were analyzed using bivariate Pearson's

correlation. **Table 2** shows the results of the correlation between online *zakat* and all its determinants.

Table 2:

Correlation between Online Zakat Usage and Its Determinants

Variables	Online Zakat Usage	Perceived Usefulness	Perceived Ease of Use	Security and Privacy
Perceived Usefulness	0.57**			
Perceived Ease of Use	0.66**	0.66**		
Security and Privacy	0.68**	0.63**	0.68**	
Trust	0.79**	0.57**	0.63**	0.79**

Note: (**) Correlation is significant at the 0.01 level (2-tailed)

This study conducts correlation analysis between four independent variables (perceived usefulness, perceived ease of use, security and privacy, and trust) and dependent variable (online *zakat* usage). Based on **Table 2**, it was found that all independent variables (perceived usefulness, perceived ease of use, security and privacy and trust) are significantly related to online *zakat* usage. Further analysis on the influence of the determinants on online *zakat* usage is shown in **Table 3**.

Table 3:

Results of Regression Analysis on Online Zakat Usage

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.39	0.15		2.69	0.01
Perceived Usefulness	0.10	0.04	0.10	2.23	0.03*
Perceived Ease of Use	0.29	0.05	0.26	5.41	0.00**
Security and Privacy	0.01	0.06	0.01	0.22	0.82
Trust	0.52	0.06	0.53	9.37	0.00**

Dependent Variable = Online *zakat* Usage

F-value = 170.158

Significant Value = 0.000

R² = 0.665

Using multiple regressions method, it was found that the determinants are having significant relationship ($p < .01$) and explained 66.5 percent variation in the online *zakat* usage. It was also found that perceived usefulness, perceived ease of use and trust are having significant positive impact on online *zakat* usage. However, security and privacy variable is found not significant in influencing online *zakat* usage. The results explained that the increase of a unit in it can be concluded that one (1) unit of perceived usefulness increase would make 0.10 unit of online *zakat* usage increase. Besides that, one (1) unit of perceived ease of use increase would make 0.29 unit of online *zakat* usage increase. Meanwhile, one (1) unit of trust increase would make 0.52 unit of online *zakat* usage increase.

In a nutshell, the results of the regression analysis conducted indicate that trust and perceived ease of use and perceived ease of use significantly influenced online *zakat* usage. Trust was proved to be a strong predictor of online *zakat* usage, followed by perceived ease of use and perceived usefulness. However, security and privacy has no significant influence on online *zakat* usage.

Discussion

The aim of this study is to examine the determinants of online *zakat* usage. This study confirmed that trust is the main predictor in influencing online *zakat* usage. This result is consistent with previous study such as Rexha et al. (2003), Suh & Han (2002) and Flavian et al. (2005) who found that trust is the key factor influencing the adoption of online usage acceptance. The researcher concluded that only when the societies have built strong trust in the online system they would enhance the online *zakat* usage. Besides, as an Islamic institution, *zakat* institution which its administration is subjected to Islamic law is presumed to gain confidence from the society in terms of its reliability and integrity. Hence, adoption of online *zakat* is easily acceptable.

This study has revealed that perceived ease of use is the second factor influencing online *zakat* usage. The result shows that Muslims perceive that online *zakat* is easy to use and user friendly. This confirms the opinion that when online *zakat* is easy to use, the users feel that less effort is required to operate the system. This result is consistent with the previous studies of Guriting & Ndubisi (2006), Ramayah & Ignatus (2005), Luarn & Lin (2005) and Kleijnen et al. (2014) which found that perceived ease of use and internet banking adoption is significant and positively related. Consequently, the greater perceived ease of use among the societies, the more they will use the online *zakat* services.

Besides that, this study also confirmed that perceived usefulness is also significant in influencing online *zakat* usage. The result is consistent with the previous studies such as Suh & Han (2002), Ramayah & Suki (2006), Lean et al. (2009), Amin (2009) and Amin et al. (2014) who found out that perceived usefulness is significant in influencing online banking usage. Our result indicates that perceived usefulness is

one of the drivers of online *zakat* usage, which means that if the system is useful, the willingness of the society to use the system will be likely higher.

CONCLUSION

The purpose of this study is to investigate the Muslims perception on online *zakat* usage which involved several factors that might affect the online *zakat* usage. The factors are perceived usefulness, perceived ease of use, security and privacy, and trust. The findings revealed that all independent variables have a positive relationship towards online *zakat* usage. Trust is found as the factor that gives the most influence on online *zakat* usage, followed by perceived ease of use and perceived usefulness. However, security and privacy is found not significant to the study and do not influence online *zakat* usage.

zakat system is really important to the Islamic countries as it is a tool to alleviate poverty. Throughout times, several changes had been made in order to improve the *zakat* management. The online *zakat* development has provided quality information that can give advantageous to the various types of users such as companies, banks, individuals, institutions, association and statutory bodies. The online *zakat* can be accessed easily, so, busy and far off place is no longer a reason to not make *zakat* payment.

Based on these results, it is recommended that all the parties involved, especially *zakat* administrators to not to take for granted all the response and perception from the societies. Effort on improvement should be made, thereby increasing public awareness of the services provided. If the services provided by *zakat* institutions are fully utilized by the society, the benefit will go to *zakat* institutions directly as well as the ummah, indirectly.

This study focuses a lot on the role of *zakat* institutions as the main body that manage the *zakat* system in Malaysia. This study can be an indicator to the *zakat* institutions about perception of societies on online *zakat* usage. The results of this study can be a guideline to the *zakat* institutions to take corrective action in the future. The study also provides basis to the *zakat* institutions to upgrade the online *zakat* system in Malaysia. The institutions should be aware of the opportunities and limitations involved in online *zakat* usage. Concerning with trust, perceived ease of use and perceived usefulness, the system shall be reliable, user-friendly and easy to learn in a short period of time. Besides that, the result of the study also contribute to online *zakat* knowledge. Previously, the researchers focus more on other methods such as *zakat* payment through counter, salary deduction and *zakat* collection through agents. This study gives a new area of knowledge on *zakat* payment method which focuses more on the *zakat* payment through online.

The improvement of online *zakat* has also proved the roles of government as the ruler and regulator of Islamic country. The increase of *zakat* collections shows that

government has improved organizational transparency and widens the global networking of *zakat* organization throughout the region and the rest of countries around the world. Future studies could apply more set of predictors because the current study only examined the effects of perceived usefulness, perceived ease of use, security and privacy, and trust on online *zakat* usage. Thus, the contributions of the study are confined to the variables examined. Future studies are expected to test other factors which can contribute to the better explanation for the research model. In addition, there are several of the *zakat* payment channels that lack of response from customers such as payments via Short Message Service (SMS), check deposit machine, postal counter and kiosk. The future research should also conduct research on this various *zakat* payment channels to provide exposure to the Muslims society.

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