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The Antecedents of Waqif's Loyalty in Cash Waqf from the Individual Perspective

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Abstract

Waqf, defined as a piece of property that been preserved for benevolent and altruism purposes is one of the Islamic instruments that plays a significant role in the socio-economic sector to many of the Islamic countries. There are many types of waqf and one of them is cash *waqf* or *waqf* share. Cash *waqf* involves a sum of money or in a form of shares which is endowed by waqifs and handled by the waqf institution who its role is to assist benevolent causes and projects for community. In Malaysia, cash *waqf* is seen to have potential to be developed and promoted due to factors such as flexibility, convenience and speed to gain collection in funding *waqf* projects. Hence, this study aims to investigate antecedents of loyalty in cash *waqf* from the *waqifs'* perspective. This conceptual paper reviews literature related to *waqifs'* internal attributes towards loyalty in cash. Based on the literature, it is proposed that *waqifs'* internal attribute towards loyalty in cash waqf is influenced by attitude, knowledge and experience that will helps to encourage repetitive endowment by waqifs.

Keywords: Waqf Endowment, Cash Waqf, Waqif, Individual Perspective And Loyalty.

Introduction

Waqf as one of the Islamic instruments plays a significant role to many of the Islamic countries including Malaysia in the socio-economic development sector. Defined with altruism intention as a piece of property that been preserved for specific purposes and able to serve numerous benefits not only to Islam community but to the whole country. However, the classical concept of *waqf* only focusing on the form of fix asset such as land or building has hindered its role as the catalyst to the economy system. Although the purpose of its two characteristics which are perpetuity and inalienability supposedly to guard the asset and to preserve the dedication of waqf but the illiquidity of waqf properties makes the institutions of *waqf* cashless, thus facing the problem in developing and maintaining the asset (Iman & Mohammad, 2014; Zarqa, 1994; Shbeilat, Harasees, 2018). More than 70 percent of the total acreage from a large portion of *waqf*

land in Malaysia are still undeveloped and this problem was similar in all states in Malaysia due to the slow progress (Kamaruddin, 1992).

Other than that, among the problem that have been highlighted by the past literature in developing *waqf* asset are such as lack of proper planning, management, funding, technical expertise, staff, coordination, efficiency, effectiveness and vision (Kamaruddin, 1992; Salleh, 2004). Thus, the administrative system, management and legislative institution of *waqf*, need to change the evolution of *waqf* method where the original concept of *waqf* which involving a permanent property need to be shifted to the concept of movable property (Raissouni, 2001) such as cash *waqf* or *waqf* share.

Waqf

Although the term of *waqf* is not directly mentioned in the Al-Quran and Hadith, but the majority of jurist has interpreted the meaning of *waqf* as a *sadaqah jariah* or alms giving which is also called as *al-sadaqah al-muharramah* that aims to benefit the heirs or general welfare (Mustaffa & Muda, 2014). This meaning according to the *Fiqh* jurist is similar to the word '*al-habs*' which means to 'stop' or to 'hold' while from syarak perspective, *waqf* has been defined as of holding certain property and preserving it for the confined benefit of certain philanthropy and prohibiting any use or disposition of it outside that specific objective and this implies to a non-perishable property whose benefit can be extracted without consuming the property itself (Kahf, 2003). The definition of *waqf* by Kahf covers the traditional concept of *waqf* asset where he emphasizes on the idea of abstention from consumption of the asset in order to keep it available for repeated extraction of its usufruct (Iman & Mohammad, 2014). While in the new *waqf* concept, contemporary jurist has agreed for the replacement of the perpetuity of object with the perpetuity of dedication by assigning value to the object of *waqf* and then amortizing it thereby by-passing the perpetuity and inalienability of the object which led to the acceptance of cash *waqf* and *istibdal* (Iman & Mohamad, 2014; Kahf, 1999).

Cash Waqf

One of the types of *waqf* which movable property has known as cash *waqf* or *waqf* share. This type of *waqf* have been implemented during the Uthmaniyyah ruling in Turkey since in the early 15th century (Pamuk, 2000; Kuran, 2010; Razali Othman, 2015). Cash *waqf* involves a sum of money or in a form of shares which is endowed by *waqifs* and handled by the *waqf* institution who its role is to assist benevolent causes and projects for community. Cash *waqf* is seen to have potential to be developed and promoted due to factors such as flexibility, convenience and speed to gain collection in funding *waqf* projects. This new concept of *waqf* enable people to perform *waqf* in various innovative and creative channel (Manat, 2007) besides helping the *waqf* managers to develop and venturing the *waqf* fund into the activities that can provide with the hinger returns (Ahmad, 2007). Moreover, Zakaria and Muda (2015) revealed, despite having Muslim as a majority population in Malaysia, but it is sad that ownership in terms of land and building are little by them. Through the implementation of cash *waqf*, Muslim can now own a building such as house or commercial property by developing the *waqf* land. Cash *waqf* is also

seen as an important source of financing for the development of economy, social services, religion, education and healthcare facilities (Othman, 2015).

The Antecedents of Loyalty in Cash Waqf

Loyalty dependably be related in the field of marketing as a basic component for organizations to design their marketing strategy mainly on promotional technique in order to retain existing customers (Kotler & Armstrong, 2018). Principally, organizations' profit is resulted by loyalty measurement of their loyal customers. Therefore, it is crucial to understand the repetitive buying behavior from customers retention of a same brand, product or services (Jr, Omar, & Wahid, 2007). Kotler and Armstrong (2018) stated that loyalty from marketing perspective should be particularly dynamic for a new to market offering and rewarding to existing product brand. However, the benefit of consumer's purchase intentions can only be realized by a company when the consumers start to purchase the service or product. In addition, consumers' loyalty or repurchase intention is not the only variable of interest for the service provider. But also, resulted as behavioral outcome that can be clearly explained from quantity of purchase by the customers (Chatterjee et al., 2018).

Hence, in cash *waqf* context, loyalty can be a measure from repetitive contribution of the *waqifs*. Nevertheless, it is essential to study on the factors contribute to repetitive contribution which might leads to loyalty in cash waqf.

Attitude as an Antecedent

Attitude is an important concept to be studied in consumer behaviour as it is significant to the customer loyalty (Evanschitzky et al., 2012). In fact, Johnson and Huber (2006) stated loyalty is due to affective attitudes that mediate the effects of performance perceptions on intentions over time. Zeithaml, Berry, and Parasuraman (1996) added that two items used to measure loyalty are consumers' intention to repurchase or repetitive in buying and their willingness to recommend the product. Moreover, Teah, Min and Lwin, M. (2014) proved that it is an evident to conclude that the motivation to donate in charities can be influenced by attitude. Previous studies have mentioned, the intention of behavioral can be affected by attitude as one of the contributing factors for cash *waqf* acceptance (Osman et al., 2014; Shukor et al., 2015). Another study also revealed that attitude of Muslim employees in contributing to cash waqf which based on their income was found to have significant influence on the behavioural intentions (Pitchay et al., 2015). Thus, it is believed that positive attitude of behavioural intention can resulted to satisfied customer which likely lead to loyalty behaviour, for example, repeat purchase and willingness to give positive word of mouth (Jr et al., 2007). Subsequently, it is expected that attitude of the individual can motivate the action of *waqifs*. Thus, it is expected that:

H1: There is a significant relationship between attitude of waqifs and cash waqf loyalty.

Knowledge as an Antecedent

Knowledge on products and services is very crucial to be acquired by customers to decide on their decision making in buying specially in facing with challenge of market development and evolution (Ballantyne et al., 2006). Similar to cash *waqf*, *waqifs* must have knowledge at least to understand the objectives and benefits of the contribution. In recent studies found the impact of knowledge is significant to determine *waqif's* trust towards the *waqf* institution (Osman, 2014; Shukor et al., 2015). However, this knowledge needs to be enhanced by individuals particularly *waqifs* so that the cash *waqf* can be crucially understood as one of the vital factors for the *waqf* instrument growth and its huge role for ummah (Othman, 2015). On the other hand, there are still many problems arising from lack of knowledge among individual and the Islamic society which has contributed to mismanagement and corruption in many of the *waqf* institutions (Ibrahim & Ibrahim, 2013). It is expected that an individual and *waqifs* with more knowledge on cash *waqf* will have impact on cash *waqf* contribution. This leads to the following hypothesis:

H2: There is a significant relationship between knowledge of waqifs and cash waqf loyalty.

Experience as an Antecedent

Another factor that will expected to the significant of loyalty in cash *waqf* is experience which is substantial to be considered in purchase decision making. In most studies of a decision making, almost focused on new decisions and neglected the importance of experience (Salarzahi et al., 2010). Whereas, experience in repeat purchase or even re-donate has positive impact on customers purchase decision making (Aly et al., 2017). Since organizations valued customer loyalty, therefore, customer experience is assumed as one of the intangible assets for organizations of their lifetime brand value (Mascarenhas et al., 2006). In the context of *waqf*, experience of *waqf* in the Islamic countries has been shown that benefice can achieve many incredible achievements and performances related to social role for the ummah and community development in long run for example, it helps in the development of urban services, education and health (Salarzahi et al., 2010). In addition to cash *waqf*, *waqifs* experience the act to endow in cash *waqf* through various channels for instance, their contribution via online banking transaction, salary deduction, shares and cash at hands. These various convenience experiences faced by *waqifs* will helps to increase the consistency of endowment which resulted to loyalty in the future. Consequently, it is hypothesized that:

H3: There is a significant relationship between experience of waqifs and cash waqf loyalty.

The Proposed Conceptual Framework

This study intends to examine the antecedents of loyalty in cash *waqf* endowment from the individual perspective which refers to *waqif* as an individual. The antecedents of loyalty in cash *waqf* includes knowledge, experience and attitude. The hypotheses are developed to examine the relationships between each antecedent with the cash *waqf* loyalty. Figure below explains the suggested conceptual framework of this study.

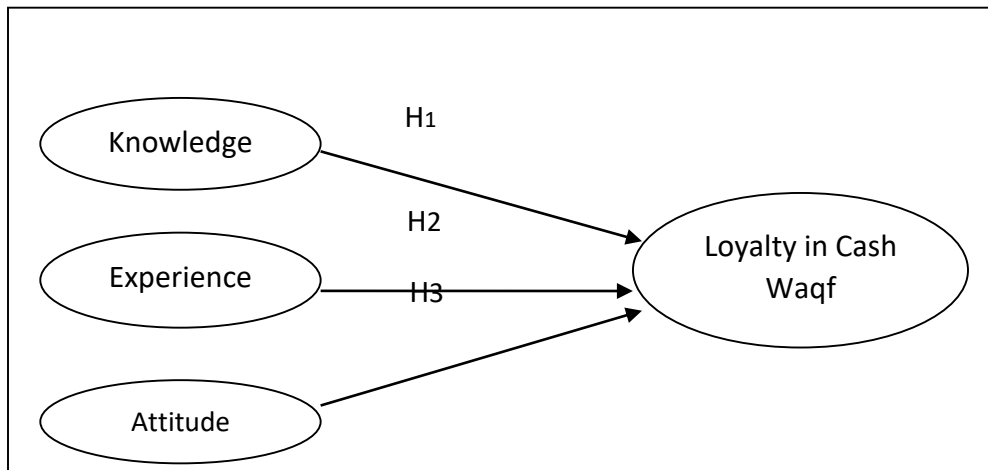


Figure 1: The Proposed Conceptual Framework of Study

Methodology

This study employed quantitative research method as it aims to explore the antecedents of *waqifs'* loyalty on cash *waqf*. The antecedents are all related to personal and behavioral of *waqifs* such as their attitude, knowledge and experience. A total number of 300 sets of questionnaires will be distributed to individuals who are *waqifs* and have been identified consistently contribute to cash *waqf*. These *waqifs* will be selected from the central region of Malaysia that consists Kuala Lumpur, Selangor and Negeri Sembilan. This is due to the highest density population especially the working age which between 16 to 64 (statistical data provided by the Department of Statistics Malaysia). It is expected that *waqifs* will be derived among working age of population who generally have income to be willing to contribute in cash *waqf*. Once data for present study is collected, analysis will be done using Structural Equation Modelling (SEM). This statistical analysis is chosen because it estimates interrelated dependence relationships in a single model, it can represent unobserved concepts in these relationships and it is able to correct for measurement error in the estimation process (Hair et al., 2017, Kline, 1998 and Byrne, 2010). In addition, SEM allows the researcher to validate the measurement model before making any attempt to evaluate the structural model (Hair et al., 2017).

Conclusion

This paper is based on an ongoing study which intends to investigate antecedents of loyalty in cash *waqf* endowment from the perspective of *waqif's* personal and behavioral factors. The antecedents have been identified from the literature as attitude, experience and knowledge of *waqifs*. These antecedents are expected to develop consistency and repetitive giving behavior in cash *waqf* which lead to loyalty in cash *waqf* endowment. It is clearly understand that the

antecedents derived from the *waqis's* personal and behavioral factors toward loyalty in cash *waqf* will be able to encourage Muslim who is the largest population in Malaysia to consistently participate in cash *waqf*. Besides that, this study contributes to the area of marketing particularly consumer behavior. Finally, it is hope that this study will contribute to the *waqf* institutions in designing their effective promotional program and strategies for cash *waqf* to individual Muslims or potential *waqifs* in the future.

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