FACTORS AFFECTING THE USAGE OF E-ZAKAT ONLINE SYSTEM

© Universiti Teknikal Malaysia Melaka

"I hereby declare that I have read this thesis research and in my opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technology Management and Technopreneurship with Honours"

Signature:……

Supervisor: DR. NOR AZAH BINTI ABDUL AZIZ

Date:……

Signature:……..

Panel: DR. SITI NORBAYA BINTI YAHAYA

Date:……..

© Universiti Teknikal Malaysia Melaka

FACTORS AFFECTING THE USAGE OF E-ZAKAT ONLINE SYSTEM

NUR AISYAH NARSARDIN

A research project submitted in the partial fulfilment of the requirement for the degree of Bachelor of Technology Management with Honours (High Technology Marketing)

Faculty of Technology Management and Technopreneurship

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

2018

© Universiti Teknikal Malaysia Melaka

DECLARATION

I hereby declare that:

(1) This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information by printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

Name of student : Nur Aisyah Binti Narsardin

Student ID : B061410184

Signature :

Date : 23.05.2018

© Universiti Teknikal Malaysia Melaka

ACKNOWLEDGEMENT

I would like to take this opportunity to express my deepest appreciation to my supervisor Dr. Nor Azah Binti Abdul Aziz for her continuous support, advice and guidance in completing this research project.

I'am grateful to my family, friends and everyone who have provided me the moral support and understanding all the way in completing this research study. Thank you very much for your corporation in helping me to fill up the questionnaire. A special thanks to those who helped me to distribute the questionnaire to your acquaintances and friends as well.

Furthermore, I would like to thank my university (UTeM) which provides students with the access of various databases for researcher to get secondary data as well. I am very grateful and appreciate the source of information provided along the journey.

Last but not least, again, I would like to thank all the respondents who helped me to fill up the questionnaire. Your contribution very meaningful to me and had made my data analysis and discussion able to complete on time.

© Universiti Teknikal Malaysia Melaka

ABSTRACT

This study was attempted to investigate the factors that affecting people behavioural intention towards usage of e-zakat online system. The purpose of this research is to identify and determine whether perceived ease of use, perceived usefulness, security and privacy, trust, and knowledge about zakat system will impact people behavioural intention towards usage of e-zakat online system in Selangor. A survey approach has been adopted in this research where the data collected via structured questionnaire. The questionnaire was distributed to 384 respondents of zakat payers in Selangor, Malaysia. In this research, the researchers developed a new construct in measuring the zakat online usage. The data were then quantitatively analysed using SPSS program. The finding shows that all variables are correlated significantly with online zakat usage. Further analysis using multiple regression analysis indicates that only perceived ease of use, perceived usefulness, security and privacy, and knowledge about online zakat system are significant influence on online zakat usage. This study suggested to zakat institutions that perceived ease of use, perceived usefulness, security and privacy, 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: Zakat online system, perceived ease of use, perceived usefulness, security and privacy, trust, knowledge.

© Universiti Teknikal Malaysia Melaka

ABSTRAK

Kajian ini cuba untuk mengkaji faktor-faktor yang mempengaruhi orang ramai tingkah laku terhadap penggunaan sistem online e-zakat. Tujuan penyelidikan ini adalah untuk mengenal pasti dan menentukan sama ada kemudahan penggunaan, kefahaman, keselamatan dan privasi, kepercayaan, dan pengetahuan mengenai sistem zakat akan memberi kesan kepada orang ramai tentang tingkah laku tingkah laku terhadap penggunaan sistem talian e-zakat di Selangor. Pendekatan tinjauan telah digunakan dalam kajian ini di mana data yang dikumpul melalui soal selidik berstruktur. Soal selidik diedarkan kepada 384 responden pembayar zakat di Selangor, Malaysia. Dalam kajian ini, para penyelidik membangunkan pembinaan baru dalam mengukur penggunaan dalam talian zakat. Data tersebut kemudian dianalisis secara kuantitatif menggunakan program SPSS. Hasil kajian menunjukkan bahawa semua pembolehubah dikaitkan secara signifikan dengan penggunaan zakat dalam talian. Analisis lanjut dengan menggunakan analisis regresi berganda menunjukkan bahawa hanya mendapat kemudahan penggunaan, kegunaan, keselamatan dan privasi, dan pengetahuan tentang sistem zakat dalam talian adalah pengaruh penting terhadap penggunaan zakat dalam talian. Kajian ini mencadangkan kepada institusi zakat yang dilihat mudah digunakan, dilihat kegunaan, keselamatan dan privasi, adalah penting dalam menggalakkan penggunaan zakat dalam talian. Oleh itu, hasil kajian ini dapat dijadikan pedoman kepada institusi zakat untuk membuat penambahbaikan dari segi penggunaan zakat dalam talian pada masa akan datang.

Kata kunci: Sistem dalam talian Zakat, dilihat penggunaan yang mudah, kegunaan, keselamatan dan privasi, kepercayaan, pengetahuan.

© Universiti Teknikal Malaysia Melaka

TABLE OF CONTENT

CHAPTER	TITLE	PAGE
	TITLE	i
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	ABSTRAK	vi
	TABLE OF CONTENT	vii
	LIST OF TABLES	xii
	LIST OF FIGURES	xiii
	LIST OF APPENDICES	xvii

© Universiti Teknikal Malaysia Melaka

Chapter 1 INTRODUCTION

1.0	**Introduction Chapter**	**1**
1.1	**Background**	**2**
1.2	**Problem Statement**	**3**
1.3	**Research Question**	**4**
1.4	**Research Objectives**	**4**
1.5	**Scope of the Study**	**5**
1.6	**Significant of The Study**	**5**

© Universiti Teknikal Malaysia Melaka

Chapter 2 LITERATURE REVIEW

2.0	**Introduction**	**6**
2.1	**Definition of Zakat**	**6**
2.2	**Benefits of Online Zakat System**	**7**
2.3	**User usage Behavioural intention**	**6**
2.4	**Public Awareness**	**8**
2.5	**Usage on zakat online system**	**8**
2.6	**Independent Variables**	**9**
2.6.1	Independent Variable 1	9
2.6.2	Independent Variable 2	11
2.6.3	Independent Variable 3	11
2.6.4	Independent Variable 4	12
2.6.5	Independent Variable 5	12
2.7	**Theory Utilized**	**13**
2.7.1	Theory of Planned Behaviour	13
2.7.2	Technology Acceptance Model	14
2.8	**Proposed Conceptual Framework**	**15**
2.9	**Hypothesis Development**	**17**

© Universiti Teknikal Malaysia Melaka

Chapter 3 RESEARCH METHODS

3.0	**Introduction**	**19**
3.1	**Research Design**	**20**
3.1.1	Descriptive Studies	21
3.2	**Data Collection Method**	**21**
3.2.1	Primary Data	22
3.2.2	Secondary Data	22
3.3	**Sampling Design**	**22**
3.3.1	Target Population	23
3.3.2	Sampling Location	23
3.3.3	Sampling Elements	23
3.3.4	Sampling Techniques	24
3.3.5	Sampling Size	24
3.4	**Research Strategy**	**25**
3.5	**Research Instrument**	**23**
3.5.1	Questionnaire Design	26
3.5.2	Pilot Test	27
3.6	**Scientific Canon**	**28**
3.6.1	Validity	28
3.7	**Statistical Tools**	**29**

© Universiti Teknikal Malaysia Melaka

3.7.1 Pearson Correlation Analysis 29

3.7.2 Multiple Regression Analysis 30

3.8 Summary 30

© Universiti Teknikal Malaysia Melaka

Chapter 4 RESEARCH RESULT

4.0	**Introduction**	**31**
4.1	**Pilot Test**	**31**
4.1.1	Reliability Test	32
4.2	**Descriptive Statistic on Demographic**	**33**
4.2.1	Gender	34
4.2.2	Age	35
4.2.3	Races	36
4.2.4	Marital Status	37
4.2.5	Monthly Income	38
4.2.6	Internet Usage	39
4.2.7	Experience on Online Payment	40
4.2.8	Online Payment Future Used	41
4.2.9	Independent Variables Descriptive	42
4.2.9.1	Descriptive Statistic IV 1	42
4.2.9.2	Descriptive Statistic IV 2	43
4.2.9.3	Descriptive Statistic IV 3	44
4.2.9.4	Descriptive Statistic IV 4	45
4.2.9.5	Descriptive Statistic IV 5	46

© Universiti Teknikal Malaysia Melaka

4.2.10	Descriptive Statistic Analysis for Grouping Variables	47
4.3	**Inferential Analysis**	**48**
4.3.1	Correlation result for IV 1	49
4.3.2	Correlation result for IV 2	51
4.3.3	Correlation result for IV 3	53
4.3.4	Correlation result for IV 4	55
4.3.5	Correlation result for IV 5	57
4.3.6	Multiple Regression Analysis	59
4.4	**Hypothesis Testing**	**63**
4.4.1	Hypothesis 1	60
4.4.2	Hypothesis 2	60
4.4.3	Hypothesis 3	61
4.4.4	Hypothesis 4	62
4.4.5	Hypothesis 4	63
4.5	**Summary**	**67**

© Universiti Teknikal Malaysia Melaka

Chapter 5 CONCLUSION

5.0	**Introduction**	**69**
5.1	**Conclusion**	**69**
5.1.1	Research Objective 1	70
5.1.1.1	Independent Variable 1	70
5.1.1.2	Independent Variable 2	71
5.1.1.3	Independent Variable 3	72
5.1.1.4	Independent Variable 5	73
5.1.2	Research Objective 2	74
5.1.3	Research Objective 3	74
5.2	**Discussion**	**75**
5.3	**Research Contributions**	**76**
5.3.1	Theoretical contribution	76
5.3.2	Practical contribution	77
5.4	**General Recommendation**	**78**
5.5	**Limitation of The Study**	**79**
5.6	**Recommendation and Future Research**	**80**

References **81**

Appendixes **84**

© Universiti Teknikal Malaysia Melaka

LIST OF TABLES

TABLE	TITLE	PAGE
Table 3.1	Likert Scale of the Questionnaire	27
Table 4.1	Standard of Coefficient Alpha	32
Table 4.2	Reliability Test Result	32
Table 4.3	Gender of Zakat Payers	34
Table 4.4	Age of Zakat Payers	35
Table 4.5	Races of Zakat Payers	36
Table 4.6	Marital Status of Zakat Payers	37
Table 4.7	Monthly Income of Zakat payers	38
Table 4.8	Internet Usage of Zakat payers	39
Table 4.9	Experience on Online Payment of Zakat Payers	40
Table 4.10	Online Payment Future Used of Zakat Payers	41
Table 4.11	Descriptive Statistic for Grouping of Variables	47
Table 4.12	Person Correlation Coefficient	48

© Universiti Teknikal Malaysia Melaka

Table 4.13	Correlation Result for Perceived Ease of Use	49
Table 4.14	Correlation Result for Perceived Usefulness	51
Table 4.15	Correlation Result for Security and Privacy	53
Table 4.16	Correlation Result for Trust	55
Table 4.17	Correlation Result for Knowledge about Zakat Online System	57
Table 4.18	Model Summary of Multiple Regression Analysis	59
Table 4.19	Coefficient	60
Table 4.20	Result of Hypothesis Testing	66

© Universiti Teknikal Malaysia Melaka

LIST OF FIGURES

FIGURES	TITLE	PAGE
Figure 2.1	Theory of Planned Behaviour/Reasoned Action	13
Figure 2.2	Technology Acceptance Model	14
Figure 4.1	Gender	34
Figure 4.2	Age	35
Figure 4.3	Races	36
Figure 4.4	Marital Status	37
Figure 4.5	Monthly Income	38
Figure 4.6	Internet Usage	39
Figure 4.7	Experience on Online Payment	40
Figure 4.8	Online Payment Future Used	41
Figure 4.9	Independent Variable 1	42
Figure 4.10	Independent Variable 2	43
Figure 4.11	Independent Variable 3	44

© Universiti Teknikal Malaysia Melaka

Figure 4.12 Independent Variable 4 45

Figure 4.13 Independent Variable 5 46

© Universiti Teknikal Malaysia Melaka

LIST OF APPENDICE

APPENDICES	TITLE	PAGE
Appendix 1	Questionnaire	84
Appendix 2	Gann Chart	89

© Universiti Teknikal Malaysia Melaka

CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

This chapter wanted to give more understanding about the behavioural intention of zakat payers towards E-zakat online system in Malaysia. Thus, this research focuses in identifying the determinants influenced the usage of E-zakat online system among zakat payers in Malaysia. There are six main points that will be deliberated in this chapter which include: The research background, problem statement, research objectives, research questions, scope of the study, and significant of the study.

© Universiti Teknikal Malaysia Melaka

1.1 BACKGROUND

Nowadays, the utilisation of technology has been widely used as payment system for almost everyone. Innovation and positive advances in technology will eventually change and affect the lifestyle of the community. This phenomenon also leads to the use of zakat online systems known as E-zakat. E-zakat is a portal, where payers can update zakat-related information, calculate their zakat, pay zakat and track zakat payments directly from the portal. Zakat is not a charity, not a voluntary charity and not a duty but an obligation. By giving zakat, a Muslim acknowledges that everything we have is God and we do not really have it, and we have to use it to remember God and help those in need. It is also an act to help free us from excessive desire and greed, studying self-discipline and honesty.

In Malaysia, the first zakat organization that used the internet for zakat payment system is Lembaga Zakat Selangor (LZS). Through this portal, zakat payers are no longer limited to normal office hours to pay their zakat and allow greater accountability for payers to discharge their obligations. No need of going to a zakat counter that making everyone at ease. As zakat is one of the five pillars of Islam and has been made obligatory by Allah to each and every Muslim to carry out. Zakat institution must be aware that the convenient for every Muslim to pay and get to know better about their zakat is important. This research focus on investigating the factors that influenced the usage of online zakat.

© Universiti Teknikal Malaysia Melaka

1.2 PROBLEM STATEMENT

It is predicted that various ways that would facilitate zakat payers are from the continuously improvements and innovative approaches. As time goes by day to day, there are variety of latest payment channels was emerged such as payroll deductions, bank counters, post office counters, appointed agents, internet portals and many more. The increasing of payment from all the channels showing that there are needs for those payment channels. The appearance and introduction of online internet portal as a new zakat payment channel is predicted will contribute to the increasing of zakat collection's amount.

The total of zakat collection has increased because of factors like ease of paying method, efficiency in the management of zakat, privatization of zakat institution, increasing numbers of zakat payers and their incomes and many more. Bakar et al. (2016) have found that, their respondents strongly agreed that it is an easier way to get information regarding zakat through the website of the zakat institutions.

However, the findings show that 29 percent of the zakat payers in Selangor is still unaware of the system even though e-zakat has been deployed since 2002. Besides, only a few respondents use e-zakat online system for their zakat payment. Most respondents prefer traditional zakat payments which is through the zakat counter (Roni & Tarmidi, 2015).

In order to solve this matter, the zakat payment system should enable to be a platform that allow everyone to carry out their responsibilities with effectiveness. Factors that influence individuals to pay zakat through online system should be taken into consideration. Whether the zakat online system can facilitate and open space more efficiently for individuals paying zakat.

© Universiti Teknikal Malaysia Melaka

1.3 RESEARCH QUESTIONS

This study prefer the new techniques or system used by people that can enhance the existing system that is currently being used in Malaysia for zakat funds. These are the research questions for the project:

- What are the factors that affecting usage behavioural intention towards online zakat system?
- What is the key factor affecting the usage of online zakat system?
- What is the level of public awareness about online zakat system?

1.4 RESEARCH OBJECTIVES

The main study objectives have been constructed as per below:

- To identify the factors that affecting usage behavioural intention towards E-zakat online system.
- To determine the key factor affecting the usage of E-zakat online system.
- To analyse the public awareness about the E-zakat online system.

© Universiti Teknikal Malaysia Melaka