International Journal
of Zakat and
Islamic Philanthropy

THE FUNCTIONAL AND EMOTIONAL CORPORATE BRAND IMAGE OF ZAKAT INSTITUTIONS IN MALAYSIA

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Abstract: *The corporate brand image is different between organization of different nature. Despite several studies that have been conducted on the image of Islamic institutions like Islamic bank, lack of research could be found to understand the corporate brand image of zakat institutions. This study explores the underlying dimensions and components of non-profit religious based organization, specifically in the context of zakat institutions. Using a purposive sampling technique, semi-structured interviews were conducted with 10 individuals that currently contributed zakat through zakat institutions in Malaysia. In general, it was found that the corporate brand image of zakat institutions could be divided into two dimensions namely functional corporate brand image and emotional corporate brand image. The functional image consists of contribution management, contact personnel, access to service and corporate communication, while the emotional image consists of agreeableness, competence, humble and visible. The findings reveal several new dimensions that less associated with other Islamic or conventional organizations before.*

Keywords: *Corporate Image, Functional, Emotional, Zakat Institutions, Corporate Brand Image*

INTRODUCTION

To date, most studies on the corporate brand image of Islamic institutions have focused on the corporate brand image of Islamic banks (Ab Hamid et al., 2021, 2022; Hamid et al., 2020; Osman et al., 2015; Shabbir et al., 2018). The corporate brand image of Zakat institutions is different from the corporate brand image of Islamic banks. Moreover, when it comes to the corporate image of Zakat institutions, there is a paucity of research. The study conjoins the zakat institutions marking with the notion of corporate brand image. Mindful of the existing research on corporate brand image, this study explores the underlying dimensions and components of non-profit religious-based organizations.

This study is timely and significant owing to its focus on Malaysia: a country that has one of the most organized mechanisms of collecting and distributing Zakat (Migdad, 2019). In many Islamic countries, the Zakat collection lacks advanced mechanisms and does not have any official structure (Wahab & Rahim Abdul Rahman, 2011). However, Malaysia has a state-centralized system through which institutions collect and redistribute Zakat funds (Müller,

2017). Many scholars have suggested that the Malaysian Zakat system is one of the most advanced in the world and many other countries have tried to benchmark it (Ahmad & Yahaya, 2022; Supriani et al., 2022). Furthermore, the study is significant since Malaysia has undergone several institutional reforms in the Zakat sector, recently (Mohammed et al., 2021).

Despite all that, the zakat collection has still not reached the optimum level in Malaysia (Ghani et al., 2018). Due to the pandemic, the zakat collection in Malaysia is expected to decrease. More people needed financial assistance because of the economic disruption which created an imbalance. Therefore, it became ever so important to increase the contribution levels of existing Zakat payers and attract more people to contribute to the Zakat funds. Most of the past literature on Zakat has focused on the contributor's intention and psychological aspects. However, a study by Ab Hamid & Wan Jusoh (2016) indicated that the corporate image of Zakat institutions influences the contributors' intentions. Thus, this study explores the underlying dimensions and components of the corporate brand image of Zakat institutions.

Marketing has emerged as a vital and an essential tool for religious organizations that aim to build strong brand equity amongst their target audiences (Rinallo & Alemany Oliver, 2019). In recent years, most of the focus of academicians and scholars in the field of Islamic Marketing has been on Islamic banks and financial institutions. However, Zakat institutions have received very less attention, in comparison. Moreover, the significance of the corporate brand image of Zakat institutions in Malaysia remains less explored.

LITERATURE REVIEW

Zakat Institutions

Zakat is a widely accepted religious practice in Islam and its importance cannot be overemphasized. Zakat, being one of the five pillars of Islam, has great significance for Muslims (Ahmad Razimi et al., 2016). Muslims, who are financially capable, are obligated to pay a portion of their wealth to the Zakat recipients, deserving individuals or groups. Zakat serves multiple purposes such as encouraging generosity, helping those in need, demonstrating humility and gratitude towards Allah, expressing commitment to one's faith, cultivating financial discipline, etc (Alshater et al., 2021). The idea of Zakat seeks to inspire Muslims to take responsibility for their fellow beings who are less fortunate than them. Muslims believe that the Zakat system has the potential to ease the suffering of needy and deserving individuals.

Apart from being an act of worship, Zakat also serves as a means of economic justice (Dhar, 2013); it redistributes wealth within the community by ensuring that those who are wealthy enough share their portion with those who are not as fortunate. This is done by taking a set percentage of the wealth (2.5%) that one has and distributing it among those who are in need (Owoyemi, 2020). By doing this, Zakat helps to reduce inequality between different classes of society and promotes unity within the Islamic community (Abdullah et al., 2015).

Islamic countries have applied a Zakat system in which Zakat institutions are obliged to manage and systematically control the Zakat (Zainal Alim Adiwijaya, 2020). In Malaysia, the collection of Zakat funds is institutionalized (Wahab & Rahim Abdul Rahman, 2011). Zakat Institutions are organizations that are responsible for managing and collecting zakat funds. They also provide financial assistance to those in need, as well as social support and relief services during times of crisis. In some countries, Zakat institutions have been set up to govern

the collection and distribution of zakat money. These organizations ensure that the money is properly allocated to its intended recipients, according to Islamic teachings (Muhammad & Saad, 2016).

Corporate Brand Image

The corporate brand image of an organization relates to the image associated with the name of the organization, based on the perception of stakeholders (Balmer, 2001). A brand image can help an organization gain a competitive advantage by becoming a valuable intangible asset that can symbolize distinctiveness, trustworthiness, and quality (M'zungu et al., 2010). It is an intangible asset that reflects the essence of the organization (Zaichkowsky et al., 2010). Although organizations are unable to directly manage the corporate brand image, they can change the associations with the brand by communicating a desirable appeal to the stakeholders (Wijaya, 2013). Through corporate branding, an organization can communicate its corporate identity (Thøger Christensen & Askegaard, 2001). A good corporate brand image helps in gaining customer loyalty, sustains superior financial performances, and influences the way consumers perceive the quality of products and services (Anisimova, 2014). On the other hand, organizations that fail to communicate a clear corporate brand promise to their stakeholders, their corporate brand image is considered weak and are bound to face negative consequences (Törmälä & Saraniemi, 2018).

Due to the several advantages that a powerful corporate brand image provides, the academic interest in the corporate brand image has extended beyond profit-making organizations. Non-profit institutions often benefit from having a strong corporate brand image, as it can help establish trust with stakeholders and customers (Balmer & Podnar, 2021). Non-profits need to be able to both attract and retain the support of stakeholders to achieve their goals (Treinta et al., 2020). A well-crafted corporate brand image can help them do this by communicating the values that they stand for (Kato & Tsuda, 2018). Additionally, non-profits may want to show that they are reliable through messaging that highlights their commitment to results and transparency (Ortega-Rodríguez et al., 2020).

The past literature suggests that a strong corporate brand image increases the profitability of an organization which makes it more appealing to investors (Da Silva & Syed Alwi, 2008). However, non-profit organizations are more interested in catering to social needs and solving societal issues. Building a positive brand image allows such organizations to gain consumers' preference, and generate credibility, and goodwill in the market (Balmer et al., 2020). Therefore, building a strong corporate brand image can give non-profit organizations a competitive advantage that becomes highly valuable in undifferentiated services (de Chernatony & Cottam, 2006).

The past literature suggests that corporate image can be considered a multidimensional construct (Bravo et al., 2012). There is still no consensus among academic scholars on what can be construed as the underlying factors of corporate brand image. However, definitions given by many authors have related the concept of corporate image to mental evaluation and perceptions that covers the overall aspects of the organization.

Therefore, it is widely accepted that corporate brand image consists of two basic components: functional and emotional (Martineau, 1958). The functional component of brand image is defined as the value derived from utilitarian, functional, or physical performance and its perceived utility (Kato, 2021). On the other hand, emotional component of brand image is

related to the perceived utility of the brand to arouse affective states or feelings (Sheth et al., 1991). The functional component can be relatively easily evaluated because of its tangible nature, as it includes the perceived value driven from price, service, quality and reliability; whereas the emotional component includes feelings and attitude as it consists of the psychological areas (Dowling, 1986; Kennedy, 1977; Martineau, 1958).

Regarding the non-profit sector, the factors that constitute brand image have changed over time (Michel & Rieunier, 2012). Most of the studies in the past have researched variables related to the services offered (variety, interests, service time, etc), reputation, and personnel (Bilgin & Kethüda, 2022; D'Souza et al., 2021; Katz, 2018; Michel & Rieunier, 2012). However, there is a need to explore the underlying functional and emotional dimensions and components of the non-profit religious-based organizations.

METHODOLOGY
In order to identify the functional and emotional dimensions of zakat institutions corporate brand image, semi-structured interviews were conducted. A purposive sampling technique was used to select individuals that could provide insights on the topic. As corporate brand image of an institutions is viewed from the customers perspectives, seven zakat contributors and three non-contributors were interviewed to obtain insight from different angles. As a rule, a sample size of eight is considered to be sufficient in the case of study that will be further clarified using survey method (D. E. Gray, 2004). In the context of this study, the interview process was halted when data reached saturation.

In general, the interview process took between 30 minutes to one hour. The sessions were recorded, but at the same time the interviewee also took note of important points. All the interviews were conducted in a comfortable and quiet environment. Interviewees were explained on the purpose of the interview, and informed consent form need to be signed as an agreement that the interview data will be used for research purpose only. Several questions were prepared before the interview, however, interviewer also asked other questions to probe further based on the interviewee's response.

The interview recording were transcribe along with the other interviews to ensure data reached saturation before the process is halted (D. E. Gray, 2004). Then the interview findings were compared with other studies on functional and emotional dimensions like (Ahmed et al., 2019; Ahmed & Jan, 2015; Cho & Fiore, 2015; Syed Alwi & Kitchen, 2014). The study also refers to Aaker (1997) on brand personality dimensions and (Davies et al., 2004) Corporate Character Scale to do the content analysis.

FINDINGS
Based on the interview, eight major themes appear underlying the functional and emotional dimensions of corporate brand image. Four themes are related to the functional aspect which are contribution management, contact personal, access to service and corporate communication. The other four major themes are related to the emotional aspect which are agreeableness, competence, humble and visible.

Functional Aspects

Contribution Management

One of the important functional aspect of zakat institution is on the contribution management. As zakat institutions collect money from zakat contributors, they want to know how the money is managed and distributed. Overall, most interviewees believe that zakat institutions have done a good job in distributing the zakat. For example, one interviewees commended one of the zakat institutions in their distribution effort:

> *"…I can see their transparency in distributing the zakat to school kids, students and poor families. So I have a positive perception towards Lembaga Zakat Selangor because of their contribution management…"*

However, other interviewees were commenting on whether the zakat money is distributed evenly to those who deserved it or only to certain groups of people. For example, interviewee 1 said:

> *"…The distribution management to poor people should cover all asnaf. I mean they cannot be selective because they want to be in the news so they send the money…"*

Other than that, the interviewees also recommended several aspects to improve the distribution management. Among others, they believe that zakat institution should increase the frequency of distribution and should know what is the suitable assistance to be given to the asnaf. For example, zakat institutions should not focus on giving a one-off assistance only, especially for the unemployed, but should help them finding ways to get a job so that they will not trapped in poverty forever.

Contact Personnel

The contact personnel of zakat institutions is also important in helping the zakat institutions to portray the right image. The *amil* who collected zakat and the front-line officer that meet the contributors and recipients play a role in the branding aspect of the institutions. Interviewees believe they should look professional, with a uniform to deliver a consistent image. But another thing that is more important is the behaviour of the contact personnel. For example, one interviewee said:

> *"…The first time I went to zakat institution office, the contact personnel is very good in treating us. For me, the contact personnel should not only be polite to the contributors, but also to the recipients…"*

In addition, contributors also believe that a good image will increase people trust towards zakat institution. The way the zakat institution speak and delivering important message is important to make contributors stay with the zakat institutions. Moreover, as a religious institutions, interviewees also expect the staff to have good values, punctual, not smoking, and not doing anything in contrary to the Islamic values. For example, interviewee 5 said:

"...if you are not working during the office hour, you are portraying a negative image. For example, I've been at zakat institution at 11am, and the staff wearing zakat uniform were eating in the café. For me… I was thinking… they don't have work to do…"

Access to Service

The access to service is also important to the contributors. Interviewees believe that zakat institutions have done a lot of efforts to make sure that zakat contributors could access to their service easily. For example, interviewee 1 said:

"...they are systematic in helping the contributors to contribute their money. We can pay by online, we can do salary deduction, or we can also pay directly at their office every month…"

This is supported by interviewee 3 who added:

"...they are everywhere. If we talk about Selangor, we can find zakat offices in many areas. The service in their office is also good. We do not need to queue in line to be entertained what so ever…. They have numbering system and modern service… for me there is no problem…"

However, the interviewees were questioning on the recipients access to get the service. They expect zakat institutions could make it easy for the *asnaf* to apply for zakat as they may have limitation from various aspects including money and transportation.

Corporate Communication

In order to build the institutions corporate brand, the communication aspect also should not be forgotten. Some interviewees seem aware on the communication effort done by zakat institutions, but other interviewees believe a lot of things still need to be done. Positively, one interviewee said:

"...I feel positive about zakat institutions as they try to communicate what they have done through advertisement and social media. Sometimes I can see Lembaga Zakat Selangor in TV programme. At least they tell people that the contributors' money have been distributed to who and how they use the money… they also have billboard if I'm not mistaken…"

Other interviewees however feel that zakat institutions should use various media to ensure they could convince people that they are doing the right job. As the world today revolve around the internet, interviewees suggest for zakat institutions to use digital channel such as Youtube, TikTok, Instagram and Facebook to create a good image. Not only that, one interviewee suggests zakat institutions to follow charitable programme in television so that they could reach more audience.

"...I think they should follow corporate bodies like what that rice company do in Bersamamu... I can see when Beras Faiza involve in that programme.. it is very significant. A 30 minutes solid content showing where they go, what they do... I believe if zakat institutions can do that... it would be very good..."

The information provided through the corporate communication also must include various aspects. Zakat institutions not only need to tell their functions, but also need to publicize all their programmes. For example, interviewee 7 said:

"...use whatever medium as long as the public get information. It's very important to tell the public that zakat institution is not only giving money but also education. For example, instead of giving cash money, the institutions also provided sewing machine so that the asnaf could sustain their living by sewing clothes..."

Emotional Aspects

Agreeableness
Agreeableness according to Davies Corporate Character Scale reflects the character of warmth, empathy and integrity (Davies et al., 2004). A corporation that shows an agreeable character is friendly, pleasant, sincere, honest and trustworthy. In the case of zakat institutions, honest, sincere and trustworthy are among the most important characters mention by the interviewees. Interviewee 2 for example said:

"...zakat institutions should be honest... Cause they collect and distribute people's money. Amanah. They need to be honest and amanah..."

In order to show the trustworthy character, the institutions also should be transparent on their financial transaction. Contributors expect to know the institution financial auditor and report.

Not only that, zakat institutions also should show a friendly character that can be approached by people from any background. The interviewees also suggested zakat institutions to be connected to the community through various programmes among others including inviting the public to be volunteer in zakat institution activities.

Competence
Competence is one of the important characters that should be portrayed by zakat institutions. All the interviewees mentioned various aspects related to competence including hardworking, proactive, reliable and achievement oriented. Unfortunately, all these aspects seem like expectation that the interviewees feel are not realised by the zakat institutions currently. Interviewee 1 for example said:

"...zakat institution should be hardworking.. they need to be more diligent going to the ground, and not waiting for people to come to their office to apply for zakat. If you look in Kuala Lumpur, the homeless are everywhere. So zakat

institutions should go to them and ask what they need, help them to get job so that they won't be poor forever…"

This is supported by interviewee 5 who said:

"...as a zakat institution, you have the money from the people… Your task is to distribute it. But that thing also you cannot do. You should work harder..."

Humble

In contrary to corporate organization or conventional institution that is expected to show a sophisticated, elegance and prestige character (Davies et al., 2004), zakat institution on the other hand is expected to be humble and moderate. Contributors expect the office to be neat and clean, but do not need to be lavish and expensive. Interviewee 1 for example said:

"...the office does not need to be flashy. It should be neat, comfortable.. it's not that you expect people to sit on the floor. That is too zuhud. There should be sofa, desk, chair so that the zakat contributors and recipients would be comfortable. A moderate office environment. Just nice…"

This is supported by interviewee 4 who mentioned on the priority of the money to be distributed to the *asnaf* rather than to be spent on decorating the office.

"...it depends… if the office interior decoration is more elegance than the profit oriented company, then something wrong somewhere. May be the institutions use the money in a wrong way…"

The moderate character is not only related to the office or building, but also should be portrayed by the staff. Zakat institutions staff are expected to show a good Muslim character, but not extreme. Interviewee 1 said:

"...I mean you have the Islamic character, but at the same time be moderate. Not too extreme wearing turban and so on… Sometimes, too extreme will make people scared…"

In addition, zakat institutions also should show a helpful character. They should be able to help the contributors to resolve their contribution issues, but at the same time must also willing to help the zakat recipients.

Visible

One of the characters mentioned by the interviewees to be extremely important for zakat institution or charitable organization is on the aspect of visibility. Zakat institutions need to be visible so that people know who they are, what they do and how they could benefit people. Contributors want to know where their money are contributed to, and what are the programmes held by zakat institutions. Interviewee 2 said:

> *"...zakat institutions should be transparent to inform the contributors where our money goes. Who receives the contributions? Where is the report? Are they being audited? All these need to be informed to all Muslims..."*

In addition, programmes for the recipients also need to publicize. One of the example cited by Interviewee 1:

> *"...Zakat Selangor for example provides food trucks for the recipients. With zakat institutions logo on it. That's a good effort. When we look at it we know this is from zakat institution. That will increase people trust..."*

The institution itself should be able to make people feel its presence. It is the responsibility of zakat institutions to expose themselves to the public and tell people what they do, not people need to find what they are doing. Interviewee 3 said the current image of zakat institution is:

> *"...boring. They don't expose themselves. It's like an introvert individual. Not extrovert..."*

This is supported by interviewee 6 who said:

> *"...I expect them to be more visible. If we don't tell people, people wouldn't know. The most important thing is people should know their work, their performance..."*

DISCUSSION AND CONCLUSION

The present study identifies the functional and emotional dimensions of zakat institutions corporate brand image. The findings is in line with (Ahmed et al., 2019) as well as (Ab Hamid & Wan Jusoh, 2016a). Theoretically, the study find several components of the functional and emotional dimensions which have not been explored in other studies or other type of institutions. In the context of functional dimension, the study suggested a new aspect which is contribution management as an important area that could be forgotten in non-profit charitable organization like zakat institutions. In addition, the study suggests two new aspects of the emotional brand image which are humble and visible.

Managerially, zakat institutions could learn a lot from the findings of this study. In a positive note, zakat institutions could be happy as interviewees were commending their effort in doing a good contribution management, friendly contact personnel and systematic access to service. Some of the interviewees also stated the influence of the zakat institutions corporate communication in influencing their positive perception. However, most interviewees believe that there a still room for improvements. More activities and programmes should be conducted to ensure not only certain parties are aware about zakat institutions, but everyone knows that the institutions are providing the best service. On the other hand, to build a sustainable corporate brand, the emotional aspect also needs to be emphasized. As zakat contributions

come from the people, it is important for zakat institutions to show several personalities such as agreeableness, competence, humble and visible.

Despite efforts that have been done, there are several limitations of this study. First, the study only looks from the contributor's angel. Future studies should try to conduct interviews with the recipients to compare whether the same image is able to be portrayed to both parties. Second, the study involves a small sample of qualitative data. Future studies should verify the findings using quantitative method with a larger sample size.

ACKNOWLEDGEMENTS

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