

Shifting Traditional Fundraising Towards the Era of Society 5.0: A Case Study of the Salman ITB *Waqf* Institute

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Abstract. This paper discusses the development model applied by Salman *waqf* agency based on ITB (Institute of Technology Bandung). This *waqf* institution develops a collection of strategies to increase the acquisition of *waqf* donation using a digital campaign model that has been widely used by many philanthropic institutions nowadays. The purpose of this research is to investigate the use of technology in institutional donation services and the employment of a platform that are easily accessible for donors. This research uses descriptive qualitative method analyzing the interview result of the staff and 3 donors. The researchers concluded that the shift of the donation method, from traditional methods (such as fund collection and submission) to visiting or accessing the *waqf*salman.or.id platform, has doubled the accumulation of *waqf*'s fund. The reason for changing the donation method is due to the developing mindset in the 5.0 society era that revolves around digital based lifestyle, where information can be obtained from the internet network.

Keywords : Traditional, Fundraising, Waqf , Era Socoety 5.0

1 Introduction

Waqf as a source of social and religious funds in Islamic philanthropy plays an important role in today's society. The potential of productive *waqf* has not yet been developed properly. According to the data from the Ministry of Religious Affairs, the number of *waqf* lands in Indonesia is three times the size of Singapore or equivalent to more than 55,000 hectares. The potential for cash *waqf*, on the other hand, reaches more than 180 trillion per year. It must be acknowledged that the number of *waqf* continues to increase from year to year. Thus, *waqf* resources can actually be used to finance social needs and sustainable economic development for the underprivileged community.

The current management of *waqf* is generally organized by non-government institutions with very minimal supervision. This condition leads to two effects: firstly, *waqf* develops well if it is managed professionally, and secondly, *waqf* will be trapped into deviations due to weak supervision. In this digital era, external factors have certain important influence on *waqf*, especially with the rapid development of digital technology. The ways of developing *waqf* with

the traditional model, to some extent, could be considered sluggish compared to the modern approaches.

The principle of fundraising is to attract the interest and involvement of donors. A study stated that people donated their fund because they were asked to disburse some money for donation (giving and asking aspects). In other words, donors usually make donations when they are requested. According to Zorn et al, (2011) and Berzin et al., (2015), the benefits of information and communication technology have provided many good social impacts on a larger scale. Technological developments will ultimately change the perspective, behavior, nature, and characteristics of social service patterns (skills transformation, job transformation and society transformation in the digital era) and social institutions to be the agents of change by undertaking social transformation efforts (Perron et al, 2010). In the contemporary digital era, it is explained that the use of traditional zakat collection strategies will be lagged behind by digital strategies that offered easier, faster and transparent facilities. Currently, the trend of donating online is getting higher, especially with the increasing number of internet users in Indonesia. This has made the donation matter becomes easier for most people (Rakhmawati, 2019).

Financial technology, often referred as fintech, is the result of amalgamating two sectors which are business financial services and the use of technology. To some extent, this fintech has ultimately changed the business model from conventional to more modern ways. Initially, a transaction/contract was done face-to-face and paid in cash. Currently, transactions can be carried out remotely by making payments via financial applications and can be completed in no time. This paper aims to analyze the capabilities of the digital platform used by the Salman *Waqf* institution upon each of *waqf* donation transaction.

2 Methods

This research uses an exploratory qualitative method which aims at exploring knowledge and idea development that deeply expands and explains the pre-existed knowledge and ideas. This research has the advantage of examining the possibility of conducting further research upon the results of this study or otherwise. Intensive and in-depth interview techniques were used as the main method for data collection in this study, while observation and documentation functioned as additional data.

This research was conducted at the Salman *Waqf* institution located in Bandung. However, the collection of information and data during the interview session was carried out using zoom due to the ongoing COVID-19 condition. The data obtained from the interview results were analysed using content analysis method. The process of the research was carried out in three steps: 1) searching for available internal data of the institution, 2) interviewing respondents (some staff and 3 donors), and 3) analyzing the available data. To ensure the validity and reliability of this research, we conducted research preparations to formulate exploratory qualitative research in a direct manner.

3 Result and Discussion

The era of disruption is marked by fundamental changes occurred in society through the advancement of technology. To some extent, it has impacted every aspect of life, in terms of

regulation, culture, mindset, and marketing (Kasali, 2018). Based on various studies and views, it is indicated that technology has triggered the birth of a new culture in the 4.0 industrial revolution era.

Human existence is currently entering a world of civilization which has no space and territorial boundaries called as the global world. Today's world is entering a turning time phase that has been identified as the era of industrial revolution 4.0; some people even consider it as society 5.0. This is an era marked by tremendous advances in computer technology. A revolution that integrates the parallel effects of multi-exponential technology into a new force in life. The awesomeness of this era is the ability to make everything simpler (simple), faster (fast), cheaper (cheap), and more accessible (easy to access).

The World Giving Index issued a finding on the giving trend in some countries. The Charity Aid Foundation in 2020, an NGO based in the United States, released its research results upon survey objects in 140 countries for two consecutive years (2019-2020). The result showed that Indonesia is the most generous country in the world, surpassing the United States, Australia and New Zealand. The study found that 78 percent of Indonesians have donated money to charity and humanitarian activities to help those in need.

Higher education institutions, as the basis of educated circle ecosystem, have invited students and alumni to make education realm becoming the world of philanthropy through the management of *waqf* funds. Since 2016, Nadzhir *Waqf* Salman was founded by the Salman Mosque ITB, serving as a center for religious activities for the surrounding of ITB campus (Bandung). Previously, this institution has established the Salman Charity House foundation, which was founded based on philanthropic activities from ZisWaf funds (Zakat, Infak and *Waqf*). The institution was, then, deliberately separated from its main body because the initial program of Rumah Salman was to establish a hospital which was ideally dedicated for collecting *waqf* funds.

A large and sustainable program of *waqf* is made as a strategic institution for the *Waqf* Salman to establish mosques and healthcare services at hospitals with low cost or BPJS funded services for people in need. *Waqf* Salman, as a non-profit institution, serves to achieve two funding purposes: institutional financing (such as institutional operational costs) and financing program plans. All activities are intended for social aid programs and its development.

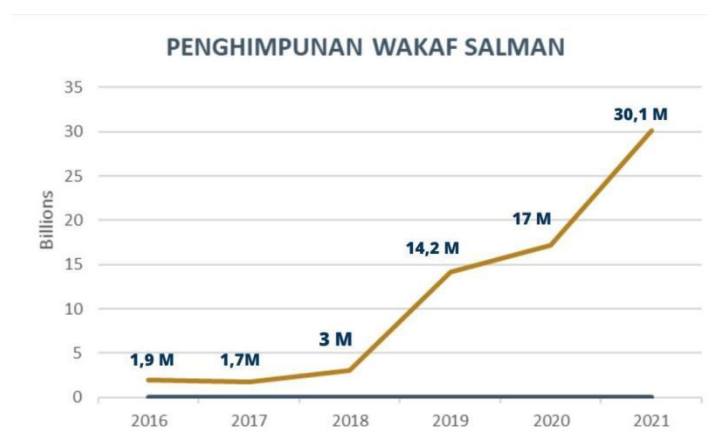


Fig. 1. Caption of a typical figure.

This research examines the object of *waqf* operated by *Waqf* Salman. The analysis result, from the institution's point of view, shows the effectiveness of digital fundraising platforms developed by the institution since the first time the platform was implemented in 2018. The results are as follows: 1) Institutional collections rose almost 500% from the original 3 billion, to 14.4 billion. In 2020, when the pandemic stroke, the collection did not increase significantly because the Covid-19 pandemic has affected the number of people who donated their fund. This is due to restrictions on interaction and community activities that decreased economic capacity. 2) In 2020-2021, the collection rate increased by 80% as the pandemic began to slope in the second year, making more people to care about human issues. Moreover, the institution has also created several programs to educate people about the impact of covid-19 pandemic upon Indonesian society. In 2020, the institution collected around 17 billion, which then rose to 30.1 billion in the following year. 3) The biggest policy change in the first and third years after the official operation of the platform was the policy to increase the number of FB (Facebook) ads. High cost giving impact to high return is a concept adopted by many institutions to increase collections to the maximum. 4) The institution divides the types of donor criteria based on age (donors over 45 years of age and donors under 45 years of age). One of the breakthroughs made by this institution is to invite back regular donations to *Waqf* Salman by means of direct communication via WA (online) to premium wakif who have donated regularly. 5) Wakif under 45 years of age are easier to communicate through digital platforms. This is a successful CRM (Customer Relationship Management) fundraising strategy. 6) Conducting education/training (using religious teachings) about *waqf* as an investment in the hereafter and as a form of charity that has no end in reward, as reported by the Prophet Muhammad in his hadith.

The first and foremost way of fundraising carried out by *Waqf* Salman is through educational literacy about *waqf* and explaining the programs that have been planned through the institution's communication channels on social media (Instagram, Facebook and YouTube, website, wakafsalman.or platform). After such approach, the institution began to do hard selling, offering programs through many channels (traditional and digital approaches).

The collaboration of fundraising model through humans and the internet for the past 3 years has proven that the innovation and creativity of philanthropic institutions to educate and offer social programs is very significant. Not only through social media channels and websites, *Waqf* Salman has also created a digital platform called WakafSal-man.or.id to provide an easier access for people to donate directly through the payment gateways that have been provided, such as; transfer through banks, Gopay, Ovo pay, and just link. *Waqf* institutions also use e-commerce (on well-known portals in Indonesia) as donation channels such as Shopee, Bukalapak, Buy-buy, and Tokopedia to facilitate interaction between program officers with potential donors. According to *Waqf* Salman's data, there has been an increase in fundraising rate since the collection method was changed (from the traditional way) to modern way in the form of digital media.

4 Conclusion

The WakafSalam.or.id digital platform has been running since 2018 and is considered effective in increasing the collection of institutional *waqf* and creating an easier way for people to donate. The digital way of donation (that has been equipped with online system in every

transaction) has made people to access and view information from the institution easily. This study concludes that fundraising with digital media is very effective in increasing donation and public literacy in *waqf*.

The results of the study show: 1). Donors feel more convenient to make donation transactions through the *Waqf* Salman platform, especially for those who ages below 45 years old. However, for people above 45 years old, the fund raising is carried out traditionally 2). The Institution views that creating a platform will increase collection faster and lower marketing costs 3). It is easy for donors to access and acquire more detailed information about the institution. Some views also reported that the distribution of funds can be allocated to various programs with a transparent control system.

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