

LAZISMU Digital Transformation

Erni Juliana Al Hasanah Nasution
Institut Teknologi dan Bisnis Ahmad Dahlan

Paper to be presented at the 5th International Conference of Zakat (ICONZ)
22-23 November 2021, Jakarta, Indonesia

ABSTRACT

In this 4.0 era, digital technology has become an inseparable part of human life. The way humans communicate and interact in meeting material and spiritual needs has changed, including entities in the field of philanthropy such as LAZISMU. Digital technology makes the process of managing Zakat, Infaq, Alms, and other religious funds (ZISKA) at LAZISMU faster, more efficient, and transparent. However, the development of digital systems is still constrained by various factors: the readiness of amil resources, infrastructure, budget, and organizational consistency. This study describes the history of LAZISMU's digital transformation, the priorities of LAZISMU's digital development, how LAZISMU's digital fundraising is carried out, and its impact on ZISKA's fundraising. This study uses descriptive qualitative research methods. The data sources are obtained from direct interviews with LAZISMU amil, field observations, LAZISMU internal documents, and other references from books and scientific journals. The study results found that LAZISMU has started the digital transformation process in 2017, partnering with an existing digital donation platform and building its own platform. The impact is quite significant in raising funds. LAZISMU already has an adequate SOP for digitizing fundraising. Meanwhile, in terms of organizational consistency and the capacity of amil resources, it still requires development.

Keywords: amil, digital, fundraising, lazismu, transformation

INTRODUCTION

Organizations can be viewed as open systems (Kahn, 1978). Therefore, the organization must always be ready to respond to various forms of change, both related to its internal and external environment. The change will create dynamics and challenges that must be responded to by continuously adapting to these changes. Changes have the consequence of shifting strategies and ways of managing organizational resources. The most obvious picture of this change is the use of digital technology in various sectors as a result of the rapid progress of science and technology that gave birth to the industrial revolution 4.0.

Digital technology is a tool that no longer uses manual human labor, but rather

an automatic operating system with a computerized system or a format that a computer can read. Technology is the entire means or tool that can assist in providing the goods needed for the survival and comfort of human life. While digital is related to numbers for certain calculation systems, it is also related to numbering (kbbi.web.id, 2021).

Currently, the stretch of digital technology has penetrated various aspects of human life. It can be said, in general, human activities are always in contact with devices that are run with digital technology. For example, in the economic field, more and more start-ups are appearing in the electronic commerce or *e-commerce* sector, both conventionally and Islamically; the emergence of a payment system with electronic money (*e-money*); fundraising

through *crowdfunding*, the emergence of *financial technology* (fintech), and others.

This is supported by the high level of internet users in Indonesia. From 274.9 million people, in early 2021 internet users in Indonesia reached 202.6 million, an increase of 15.5 percent or 27 million people compared to January 2020. On average, they spend 8 hours 52 minutes surfing on the internet (Riyanto, 2021). The arrival of the Covid-19 pandemic has contributed to the increase in the number of internet users in Indonesia. The pandemic has also forced all sectors to get out of their comfort zones and accept changes to survive and exist. No exception in the management of zakat, infaq, and alms (ZIS).

Digitization itself is mentioned by various studies as an important instrument in zakat management. Digital technology and the advent of social media have changed the way people donate, influencing the way zakat management organizations (OPZ) raise funds and interact with donors. Therefore, the management of zakat must be in line with the revolutionary spirit of industry 4.0, which is characterized by being digital-based. From the muzaki side, digitalization can facilitate and increase zakat payments. Hudaefi & Beik (2021) found that inclusiveness in digital content significantly affects zakat campaigns. Digitalization encourages innovation in advertising activities carried out by the Amil Zakat Institution (LAZ) in Indonesia (Hamid Abidin, Agus Budiyanto, 2020). With the increase in the quality and quantity of zakat campaigns due to digitalization, it is expected that community zakat literacy will increase, and more muzaki will be encouraged to pay zakat (Puskaz Baznas, 2021). The urgency to digitize during this pandemic is increasing due to the implementation of *social distancing*, which makes conventional zakat payment methods, such as physically going to mosques or other

zakat institutions, hampered.

By looking at the conditions of internet use above, the consideration of innovating towards digital is very potential for LAZ in Indonesia, especially digital reach also does not recognize geographical boundaries which also allows LAZ to reach people abroad. But it is miserable, in fact the use of technology for zakat is still lacking. Even though it is clear that technology can facilitate the process of distribution, awareness and reporting of zakat funds to the public, which is currently still being questioned by all parties. Technology is believed to be able to improve the operations of zakat institutions (Che Mohd Salleh & Chowdhury, 2020).

Digital schemes are certainly different from conventional schemes. To be able to transform to digital technology, it requires supporting tools such as human resources, infrastructure, organizational commitment, and budget support. Regarding human resources, this is very urgent, because amil is the front line in zakat management. Therefore, preparing amil resources who are capable of mastering technology and other digital supporting facilities is important, through intensification (by developing the ability of amil to use technology) and extensification (by increasing the number of amil who master technology) (Widiastuti *et al.*, 2021). Amil's understanding of Islamic marketing theory derived from industrial practice can be used, and the inclusiveness of digital content in zakat campaigns is very important in activating zakat as a religious obligation that authentically shapes the social and economic processes of Muslim society. This theory is practically important for LAZ amil workers who work in marketing, especially to create content posted on social media (Hudaefi & Beik, 2021).

In addition, zakat managers are also faced with various risks that may occur as a result of using technology. Because after all, a manufactured technology certainly

has weaknesses, ranging from incorrect input, data manipulation, data theft, and system hacking that will harm LAZ and the stakeholders involved in digital utilization. LAZ is also faced with the challenge of cybercrime (*cybercrime*) in improving its services on digital to the excessive dependence of users, which makes the social interaction side neglected. Reliable amil resources are expected to minimize this risk.

The application of digital technology by zakat institutions aims to increase efficiency and effectiveness in zakat management by saving time and various conveniences for users in collecting, distributing and utilizing zakat services (Santoso, 2019). Digitalization can also improve the performance of zakat institutions by minimizing costs, increasing efficiency, transparency, and accountability, and facilitating zakat monitoring both in terms of collection and distribution, increasing zakat potential, especially for millennials, and which is clearly the right solution during the pandemic. (Zubaidah & Afifah, 2020) This finding was reinforced by a survey conducted by FOZ regarding the readiness of LAZ in facing the digital era, where as many as 76 zakat amil institutions acknowledged the ease in the collection process and low operating costs when using digital (Hamid Abidin, Agus Budiyanto, 2020).

Zakat organizations must ensure that their system does not make it difficult for everyone to make online zakat payments because easy access is the most critical factor influencing the intention to pay zakat online. They must also improve the efficiency and effectiveness of the payment system, improve the quality of organizational and technical infrastructure and contribute to improving zakat literacy and other zakat stakeholders (Kasri & Yuniar, 2021).

Digital technology can also increase accountability and transparency in zakat

management, which in turn can increase public trust in zakat institutions and encourage citizens to pay zakat through official institutions. The development of digital technology shows an increase in the use of digital platforms to facilitate donation payments, including religious based donations (Kasri & Yuniar, 2021). The way people donate has shifted from the conventional way by visiting the amil directly to using a more practical and modern way, namely through digital media. Faith-based donations via online platforms also grew 8% in 2019, online giving grew 6.8% year-on-year, with an estimated 26% of online donations made using smartphone devices (Blackbaud.com, 2021).

However, the acquisition of zakat funds raised through digital platforms is still small and has not exceeded the income of zakat raised conventionally. This is due to the low capacity and habits of the community in distributing zakat digitally. The research results conducted by Indonesian Philanthropy and Zakat Forum (2020) on 104 LAZs in the 2016 - 2018 period show that the acquisition of ZISWAF funds (Zakat, Infak, Shodaqoh, and Waqf) is still dominated by conventional collection. The research also states that there are at least five segments that LAZ must prepare in the face of digital transformation. One of them is the readiness of its human resources. Amil as the front line in zakat management needs to be equipped with adequate skills to be able to use digital technology to maximize ZIS fund collection.

In addition, in responding to the challenges of the times, new strategies are needed in zakat management, and zakat institutions must innovate in *fundraising* strategies (Yuliar, 2021). Digital marketing strategies using social media will impact increasing ZIS collection (Mila Amrina, 2021).

The Muhammadiyah Amil Zakat Institution (LAZISMU) as a National LAZ cannot be separated from this digital

transformation. For the sustainability of the organization, since 2017 the process has begun towards a more modern LAZ management based on digital technology.

This research focuses on how LAZISMU has transformed digitally, starting from the history of digital transformation at LAZISMU, what are LAZISMU's digital priorities, how the transformation of LAZISMU *amil* is carried out, how LAZISMU digital fundraising is, and its impact on ZISKA fundraising at LAZISMU.

METHODOLOGY

The research method used is descriptive research with a qualitative approach. Creswell (2015) states that qualitative research begins with assumptions and the use of an interpretive framework that forms or influences the study of research problems related to the meanings imposed by individuals or groups on a social or human problem. Data in qualitative research are collected together in the form of excerpts of documents, field notes, and interviews to present research results. The data of this research were obtained from direct interviews with the LAZISMU center for the organization/institutional sector as well as the *fundraising* and program divisions. In addition, researchers also made direct observations to the LAZISMU Central office on Jalan Menteng Raya No. 62 Jakarta. Data is also obtained from LAZISMU internal documents, as well as other relevant references such as scientific journals and other supporting books.

Get to know your LAZISMU

LAZISMU is an institution established by the Central Executive (PP) of Muhammadiyah to collect, distribute, and utilize Zakat, Infaq, *Sadaqah*, and other socio religious funds (ZISKA). In the organizational structure of Muhammadiyah, LAZISMU is one of the

Supporting Leadership Units (UPP) and is a Muhammadiyah Business Charity (AUM) in the field of social welfare. LAZISMU is expected to emerge as a superior and highly competitive and forward-oriented movement as the embodiment of the progressive Muhammadiyah Charity, the mandate of the 47th Muhammadiyah Congress in Makassar.

LAZISMU is a new manifestation of the authentic spirit of "Penolong Kesengsaraan Oemoem" or PKO, *al-Ma'un* theology, and the Muhammadiyah *voluntary* movement (Thohari, 2017). LAZISMU is one of the institutions that is considered the most authentic as a Muhammadiyah movement today.

The emergence of LAZISMU in general is almost the same as the emergence of branches in Muhammadiyah at the beginning of its establishment. Coming from the bottom or *bottom-up*, with the spirit of sincerity, togetherness, mutual cooperation, and the volunteerism of regional and regional leaders of Muhammadiyah. Before LAZISMU was born, there were already similar institutions in Muhammadiyah, such as at UHAMKA the name was LP ZIS (ZIS Management Agency), in Kendal Central Java, the name was the Muhammadiyah Zakat Management Agency (Baperluzam) and so on which were still local in nature not yet integrated with one another." (Al-Hasanah, 2021).

Then, Law No. 38/1999 on Zakat Management was born. To respond to this, Muhammadiyah established an official zakat institution. LAZISMU has a very strategic position. The Muhammadiyah organization's *da'wah* movement, which continues to grow at the national and international levels, must be supported by strong funding. One way that is legal and constitutional is to establish an LAZ. LAZISMU appears to be a financial institution, as a medium of *da'wah* to achieve the goals and objectives of the

association, as well as a means to achieve broader goals of worship, namely for the welfare and benefit of the people. Therefore, LAZISMU must be large, must be developed seriously, professionally, transparently, and accountably with digital technology as a tool that can help make it happen.

LAZISMU's Digital Transformation History

In this 4.0 era, digital technology has become an inseparable part of human life. The way humans communicate and interact in meeting material and spiritual needs has changed along with the rapid advances in technology in the digital field. Organizations engaged in philanthropy are no exception, such as LAZISMU.

At the beginning of its establishment, LAZISMU was used to doing correspondence using electronic mail via email. The official email of the institution is essential to assist the institution in facilitating communication and providing information, and being a means of introducing company profiles. In addition, the official email of the institution is also able to give the impression of professionalism. LAZISMU also completes its infrastructure by creating a LAZISMU website, adding an internet connection network equipped with computers with sufficient capacity. Furthermore, LAZISMU developed *e-zakat* to provide convenience in paying zakat to Muzakki in the form of online zakat.

LAZISMU's digital transformation was started since 2017 as a response to the dynamics that develop in zakat management as a result of the rapid progress of science and technology (Muktiono, 2021). As a concrete step, LAZISMU formed a *digital fundraising* division. From Muhammad Furqon (2021), Manager of Public Relations, Digital and LAZISMU Services, information was obtained that the digitization process at that

time was still new, still groping, its activities had not been documented (recorded), so it had not been fully digitized. There is already a desire to build your own platform, but it takes a long time and costs a lot, so what is possible and can quickly transform is to build a partnership with an established digital platform, an existing donation platform. Then start the collaboration by providing zakat services through third parties such as the digital donation platform *kitabisa.com*, through the *e-commerce* service donation feature of Bukalapak, Elevenia, Shopee, Lazada, etc. LAZISMU is logged into their donation system. They have a donation feature on their platform and invite philanthropic organizations to join, which way they also get member capitalization. Need each other. Maybe they want to look concerned too because their market is Muslim women. For example, in Bukalapak, there was a feature when people shopped directly for donations. So it remains inseparable from the business side. For LAZISMU itself, the collaboration with the digital platform, in addition to increasing fundraising, also accelerates our digital customization.

Entering 2018, LAZISMU continues to make various innovations to facilitate zakat services to the community. Externally, LAZISMU uses information technology to facilitate ZISKA services by creating an application that can be downloaded on IOS and Android through the LAZISMU application, namely Kawanbaik. People can find information about zakat and can also directly pay zakat, infaq and alms through the application with a Zakat calculator. LAZISMU is also collaborating with *Muvon*, a digital platform created by the Muhammadiyah Central Leadership Library and Information Council (MPI), which is a kind of digital market list, so that the services of the amil institution can also go through *Muvon*, to make it easier for muzaki (Kabar24.bisnis.com, 2018).

LAZISMU just built its own system

in early 2018 with a long process. Almost a year of preparation. There are a lot of technical things to really pay attention to. The process of digitizing LAZISMU was only evident in Muhammadiyah's pre-Tanwir activities in Bengkulu, marked by the inauguration of a rice ATM. (Lazismu.org, 2019). In 2019, LAZISMU's collaboration with digital donation platforms continued to be developed. On March 19, 2019, LAZISMU expanded its collaboration network with digital payment fintech GO-PAY via QR code GO-PAY to encourage donations to educational institutions and entrepreneurs (Katadata.co.id, 2019). The platform providers feel happy to be working with LAZISMU because in their eyes, the image of LAZISMU as AUM Muhammadiyah has a large ecosystem in addition to Muhammadiyah's commitment to zakat management which is also an added value.

In 2020, LAZISMU cooperated with PCS Indonesia as a strategic partner in developing a non-cash movement by prioritizing *cashless* donations, especially to collect donations from zakat, infaq and alms. As a result of this collaboration, a *soft launching* event for the digitalization of zakat, infaq and alms payments was held on July 8, 2020. PCS Indonesia offers *electronic data capture* (EDC) which is integrated with the application in it. In the next collaboration, PCS will support *hardware* in the form of EDC and its system, which will be distributed to all LAZISMU service offices in Indonesia (Suara Muhammadiyah, 2020). Then specifically, LAZISMU held the 2021 National Working Meeting (Rakernas), which was held in December 2020 with the theme "Digitalization of LAZISMU Governance Philanthropy and Achievement of SDGs" as proof of Lazismu's seriousness in transforming into digital media.

LAZISMU Digital Priority

For LAZISMU, digitizing philanthropy is a

process of transforming ZISKA's governance to become faster, more effective, efficient, and adaptive by optimizing the use of digital media. This is possible because the work system of digital technology has gone through an automation process.

LAZISMU is required to be able to make changes in its movement strategy in a way that is more adaptive to technological changes in accordance with its main duties and functions as a ZISKA management institution. There are four priorities in the digitization of ZISKA LAZISMU (2021), namely:

They are first, digitizing ZISKA fundraising. Digital technology provides considerable opportunities in raising funds, carried out by optimizing the potential and opportunities of strengthening digital literacy in society. Although the survey conducted by LAZISMU found that people still tend to transfer money in making donations, the next trend is to prioritize financial technology and must be prepared properly. The experience in the last two years using financial technology in raising funds has become an option for an increasing number of people. In the Covid 19 pandemic era when people's movements were restricted, digital fundraising by utilizing financial technology became the most popular choice.

Second, digitizing philanthropic administration is carried out by strengthening digital and online technology facilities to promote, service, and implement philanthropic activities. This is intended to accelerate how the organization works, from organizing a program, *assessment*, decision-making, implementation, monitoring, and evaluation to consolidated reporting.

Third, digitizing services is carried out to increase the satisfaction of LAZISMU *stakeholders*, both individual donors, institutional partners, and administrators and Muhammadiyah

Persyarikatan Leaders. Among the examples of digitizing services for donors and LAZISMU partners is the need for automation and notification processes in LAZISMU's business processes such as transactions, financial condition information, and dissemination of reports to the public. The digitization of this service is an integral part of LAZISMU's mission to increase its transparency and accountability in the eyes of the public.

Fourth, digital content development. To increase visibility in the digital world, LAZISMU must increase the intensity and creativity in offering ZISKA content that has the quality and has a positive impact. For this reason, there are several principles for developing digital content and the popularity of LAZISMU in cyberspace as follows: (1) The same theme, LAZISMU nationally carries the same big theme as a way to promote work institutions and programs but still provides space to show the characteristics of each issue. -each region; (2) Content creativity, LAZISMU at all levels is encouraged to create creative content for flyers, short films, video documentaries, and podcasts; (3) Innovative visualization, LAZISMU at each level is encouraged to transform itself into the digital world by increasing its visual *exposure* in a more contemporary and innovative way; (4) Infak *like & share*, determined by certain days and times to increase visibility in cyberspace by requiring "infaq" in the form of massification of *likes* and *shares* within the Muhammadiyah organization in general and all LAZISMU *stakeholders* in particular. *The* donated *likes* and *shares* are a form of support and participatory and mutually supportive relationships between LAZISMU *amil* members throughout Indonesia.

LAZISMU Amil Transformation

Furthermore, to carry out the four digital transformations above, the first thing to do is prepare *amil* resources that will drive it.

Amil resources become the foundation in improving LAZISMU's performance, especially in translating management policies due to changes in management methods and strategies. Because the LAZISMU *amil* as the front line in zakat services as well as the perpetrators of these changes must be adjusted to their knowledge and skills, increasing the capacity of zakat *amil* as *users* of the digital technology.

It must be admitted that although LAZISMU has been around for a long time, it was born in 2002, but in terms of the management of *amil* resources, it has not been done intensively. Strengthening the competence of *amil* will always go hand in hand with the professionalism built within the institution. In five years to strengthen *amil* insight, LAZISMU has held twice *amil camp* in *offline* and one *amil camp* are *online* and send collectors to training and certification process *amil*. Currently LAZISMU has 22 certified mail.

The digital competency improvement program for *amil* shows that LAZ has realized the importance of *amil* competence in the digital era. Meanwhile, special programs to increase the competence of *amil* related to digital *skills* have not been widely carried out. LAZISMU itself allocates from the *amil* funds to develop its *amil* human resources (Surya, 2021). Because digital competence is closely related to the readiness of the *amil* digitally, the higher the competence possessed by the *amil*, the more prepared the institution will be to face the digital era. If there is no special program to increase digital competence for *amil*, the competence they have will lose with the rapid development of technology. This digital competency program is not only in the form of training conducted by official institutions. However, it can also be conducted self-taught by utilizing content from platforms such as *YouTube*, which can be accessed at any time for free.

According to Muhammad Furqon, it

has not been maximized for amil who handles content for digital *fundraising*. It is still towards digital publications. Different between the digital publication and digital fundraising. For digital publications, the indicator of achievement is promotion, *branding*. Meanwhile, the digital *fundraising* achievement indicator is the acquisition of ZISKA fundraising.

Generally, LAZISMU amil studies self-taught. He has also attended several pieces of training conducted by LAZISMU itself and those carried out by third parties. However, sometimes there is a difference between the material given during the training and the practice in the field. Digital is a practical activity, not a theoretical one. After the training, it must be practiced immediately because otherwise it will be quickly forgotten, especially when there are always new developments, the momentum will be lost. If you do not practice it, it is useless. According to Furqon, currently, there are only three family members in his division. Of course, they still lack, especially in technical terms in the field of developers and digital infrastructure.

According to him, the digital transformation at LAZISMU is still in progress and has not yet reached the *advanced* stage. Many things still need to be addressed, including the consistency of all amil in LAZISMU as well as the consistency of the organization. When it is determined, all of them must work together in the same direction. If a developer has been implemented, but then someone disagrees, it will be a waste of time, especially when many funds have been spent. This can also lead to distrust of partners who have spent initial funds in developing digital systems. In addition, coordination is needed from all parties in LAZISMU so that they do not overlap.

LAZISMU Digital Fundraising

For LAZISMU, *digital fundraising* is a way to raise funds for a community/

organization/NGO and even personal using digital media such as television, radio, *internet*, *mobile apps*, *social media*, and various other digital media. According to the guidebook or standard operating procedures (2019) in *fundraising* and LAZISMU collaboration, *fundraising* success can increase the number of *users/members* or visitors accompanied by increased revenue or increased donations, as well as *millennial awareness* LAZISMU.

LAZISMU's digital *fundraising* strategy is said to be successful if it can: (1) Increase the amount of data (email, phone number, *WhatsApp*, etc.) either through social media or in collaboration with data owners, by exchanging *links*, creating joint programs or by sharing profits. The channels that can be used can be through: (1) *Search Engines*; (2) *Web & Blogs*; (3) *Social Media*; (4) *Video Blogs*; (5) *Ecommerce, Platforms, Mobile Apps*; (6) *Advertising*; (7) *Email marketing*, and (8) *Digital marketing tools*.

In these ways, LAZISMU has succeeded in increasing the digitization of the zakat system. From the launch of payment systems through applications, *websites*, payment integration with *e-wallet*, to the provision of a centralized information system. LAZISMU has a centralized financial report information system. To support all of this, it is necessary to be prepared in terms of infrastructure, human resources, digital services, *traffic leads*, and advertising.

Impact of Fundraising Digitalization on LAZISMU Fundraising

The digital collection carried out by LAZISMU in 2019 reached Rp. 2,923,672,331. The strategies are carried out by (1) Improving the appearance of the *website* and making the *web* objective as a donation channel; (2) Adding donation channels that are integrated with transactions using *payment gateways* with direct notifications via SMS and email; (3)

Activate LAZISMU 's *crowdfunding channel*, namely *matahati.org* and other digital partner channels.

Throughout 2019, a fairly high gap was detected between people's intentions to donate and the realization of donations received by LAZISMU. Muzakki, who plans to donate by filling out the donation form, reached 4842 people with a value of Rp. 4,707,697,331. However, only 2158 people realized their intention to donate with a value of Rp. 2,188,225,376. More than half of the Muzakki candidates did not realize their donation plan. In addition to doing their fundraising through the website, LAZISMU also collaborates with outside donation platform providers such as *Friendbaik*, *Kitabisa.com*, *Bukalapak.com*, *Gopal*, and online donation *paybill*. So the acquisition of LAZISMU digital collection throughout 2019 is illustrated in the table below.

Table 1. LAZISMU fundraising data for 2019

1	<i>LAZISMU website</i>	Rp. 2,188,225,376
2	<i>Good Friends</i>	Rp. 136,264,105
3	<i>Kitabisa.com</i>	Rp. 495,780,622
4	<i>Bukalapak.com</i>	Rp. 84,399,141
5	<i>Gopal</i>	Rp. 15,449,512
6	<i>Paybill online donation</i>	Rp. 3,3553,575

Source: LAZISMU digital *fundraising* report 2019

Entering 2020, the Covid-19 pandemic that has hit the world has greatly affected the level and way people donate. Visits to mail institutions are drastically reduced. Conventional charities are so affected by the pandemic that some of them have closed like charities that are very dependent on the arrival of donors to their place. LAZISMU also experienced this. Many *offline fundraising events* and activities were eventually delayed or even canceled altogether. However, LAZISMU was able to overcome this with strategic steps in terms of digital fundraising.

The LAZISMU web, which has undergone a transformation since 2019, can become one of the online donation channels

for donors. Then the strategic collaboration with the *Kitabisa.com* platform also adds to the increase in donations in the digital world. The rest, the approach to LAZISMU throughout Indonesia to enter the world of digital *fundraising*, is also continuously carried out in order to anticipate and keep up with the changing times.

The pandemic situation is expected to continue for a long time, so efforts to digitize donation methods need to be improved by strengthening human resources, as well as digital infrastructure and other performance support tools.

Throughout 2020, the *Fundraising* Division intensively placed advertisements on various social media platforms and *search engines*. These activities include: *First, search engine ads*. Activities for advertising on *search engines*, especially *Google*, are carried out when the moment of donation is increasing, namely in the month of Ramadan and at the time of Eid al-Adha. This is done because of the nature of the *search engine users* when looking for a place to channel their donations, both zakat and qurban.

Second, FB & Insta Ads. This activity is carried out at any time by utilizing the LAZISMU *fan page*. At Ramadan, LAZISMU clicking *hires* two volunteers coming from renowned platforms to run a *campaign* of Ramadan with satisfactory results for platform *matahatimu.org*. Then *FB & Instagram ads* are also carried out to increase public *awareness* of LAZISMU in regular months. Each ad that is run is quite adequate, with a fairly high reach and engagement compared to posts that are not advertised.

Promotional cooperation with the *Kitabisa.com* platform is still running. This collaboration includes *campaign* activities carried out on the *kitabisa.com* platform. The advertisements that are run are taken directly from the collected donations with a special *disclaimer* to potential recipients so that it is quite easy for LAZISMU.

As was the case in 2019, in 2020 there was also a fairly large gap between those who planned to donate and those that

were received, although there was a slight decrease of 0.17%.

Tabel 2. The distance between the planned donation and the realization of the donation

Year	Planning to donate	Donation Plan	Donation realization	Donation realization	% gap
2019	5428 people	Rp 4,796,412,076	2326 people	Rp 2,274,993,534	47.43%
2020	11233 people	Rp 7,833,498,786	5205 people	Rp 3,702,664,403	47.26%

Judging from the data, there was a significant increase in donation plans on the *lazismu.org* portal in 2020 by 61.22% compared to 2019 before the pandemic. Then prospective donors who continue their donation plan into transactions in 2020 increased by 61.44% compared to 2019. The number of transactions was also in line with the number of donations which increased by 206%. This increase occurred, among others, due to an increase in people's desire to donate. It was also found that there were also attempted transactions with the same amount on the same day or people who just wanted to try the online transaction flow process without continuing to transfer. Then, the number of people who donated increased to 44.68% compared to the previous year. This shows that despite the pandemic, the *trend of* donations continues to increase, the philanthropic spirit of the Indonesian people is increasingly finding its momentum to help others during the pandemic.

Responding to the high gap between those who plan to donate and the realization of donations, LAZISMU has also perfected its digital *fundraising* SOP that previously existed. According to Muhammad Furqon:

"If someone *clicks on the* contents of personal data and the nominal donation but is not followed up with a transfer, meaning that it has not been closed, the donation has not occurred, then the service division is obliged to follow up by sending a message via *WhatsApp* contacting the

prospective Muzakki via *cellphone* and email address. Already recorded in the *database*. After we confirm they generally respond: "sorry I forgot," "sorry I failed to transfer tarsus" then we will help. If they are still having trouble, we will immediately give them another account number. On average, they respond. In 2020 there are 7.8 billion people who plan to donate, there is an increase of almost 90%, although the realization is still 3.7 billion. After we analysed the difficulties in the transaction flow, we collaborated with certain banks that used *virtual accounts* (VA), which takes longer steps. Not a direct transfer. So it is not practical. Until finally we decided to *take down* because it is difficult to implement in the field."

In *digital fundraising*, LAZISMU is still *learning by doing* while looking for forms that match its characteristics. During this Covid-19 period, fundraising from *corporates* has increased sharply. They do not have people in the field, but they are required to care, issue CSR, and channel it through LAZISMU. From these experiences, many have been successfully implemented.

In addition, *digital fundraising* is also carried out through official *crowdfunding* platforms managed by LAZISMU, namely *lazismu.org* (2021) and *matahati.org* (2021). Based on the author's observations as of October 8, 2021, the total *digital fundraising* receipts are illustrated in table 3.

Table 3. Total digital fundraising, as of October 8, 2021

No	Platforms	Donation Amount	Number of Muzzaki
1	lazismu.org	Rp. 12,382,694,034	32847
2	matahati.org	Rp.174.144.914	620

Source: *Lazismu.org* and *matahati.org*

Through the *lazismu.org* and *matahati.org* platforms, like a self-built platform, of course, it has its own advantages, apart from being free of administration fees (platform providers such as *kitabisa.com* charge an administration fee of 5% [five percent]), building their own platform requires high costs. However, LAZISMU is trying to make it happen, and its effectiveness and efficiency are already starting to be felt, although it is not yet maximized. Large and reliable human resources. The community response is also quite good. The trust of Muzakki has increased. There are also several partners who are impressed after seeing LAZISMU's social media and then want to work together.

This also proves the real progress of LAZISMU's transformation towards digitizing zakat management as a whole. LAZISMU proved its ability to transform. In addition, in 2021, *fundraising* through third parties will also continue to be carried out, such as the collaboration with the *kitabisa.com* channel, which began in March 2021, obtaining a collection of Rp. 5,611,874,689. The collaboration includes broadcasting *campaigns*, *cross channeling* with the *Gojek* and other *corporate* application platforms that support several LAZISMU *campaigns*, and optimization of *campaign* advertisements on social media. Furthermore, collaboration with other channels such as *Bukalapak*, *Tokopedia* and *Friendbaik* with a profit value of Rp. 704,657,918.

The digital *fundraising* movement has increased every year and deserves to be a focus of attention in 2021. Even though the pandemic has hit the world, donations are still increasing, meaning that there are still good prospects to continue to increase

fundraising efforts. The convenience and the number of channels support the increase in donations because they reach more people. Cross-platform collaborations show a positive trend, with donations reaching over 500 million. The existence of *advertiser* staff is proven to be able to increase the acquisition of donations on *matahatimu.org*, which incidentally does not require *sharing fees* to other parties. This needs to be encouraged to increase donations at *matahatimu.org*. Now is the right time to accelerate the digitization step so that services to donors are faster, more effective and efficient.

The sharpening of the LAZISMU agenda carried out through the Muhammadiyah Mukhtar forum, which will be held in 2022 in Surakarta. At this stage, LAZISMU is expected to present to the public the Muhammadiyah organization the traces of service that have been carried out starting in 2015 and carrying out service action programs in predetermined fields. At this stage, it is also hoped that there will be various policy changes that will transform LAZISMU not as an ordinary institution but into a more professional, controlled, and able to move quickly, responsive and adaptive institution to changes.

Following the main theme, LAZISMU has been truly integrated systemically and can encourage a more advanced organizational ecosystem to achieve priority targets in the form of KPI (Key Performance Indicators) and IKAL (Service Action Performance Indicators). A digital instrument to measure the impact of Islamic philanthropy in Muhammadiyah organizations in achieving organizational goals and sustainable development goals.

With digital media, it will be easier

for people to make donations without being limited by space and time. General Chairman of Muhammadiyah Central Executive Prof. Dr. Haedar Nashir, when opening the 2021 LAZISMU National Working Meeting some time ago, considered it important to cultivate the dimensions of the Islamic spirit of capitalism by offering conveniences and planting seeds to become people who have an ethos as Muzzaki, not Mustahik. Everyone can play a role, both the *poor* and the *aghniya*, not in a conflicting position. Mustahik and muzakki are bridged by LAZISMU. The rich want to share, the Mustadafin do not feel wasted, humiliated, remain mentally honorable, and feel that they have meaning in their lives to create a life of justice and progress, to build *khairul umah* (the main society).

CONCLUSION

With the development of the digitalization era, people's zakat collection has also begun to switch to payments through digital platforms. Amil's ability to use gadgets is one of the important prerequisites in relation to LAZ's readiness to face the digital era. If the amil is accustomed and able to use gadgets (laptops, computers, cellphones, etc.) in daily activities, the tendency of institutions to be ready to face the digital era will be higher, especially if they are continuously equipped with higher skills.

In order for the transformation process of digitizing ZISKA management at LAZISMU to run smoothly as expected, it is necessary to improve system services so that it becomes easier for potential donors to donate. Increase cross-platform collaboration to increase donations, especially platforms that already exist and with many *users*. Adding personnel to support digital *fundraising* activities, adding equipment to support digital *fundraising* activities, and allocating costs for advertising in digital media that are

proven to be effective.

LAZISMU's digital transformation challenge is quality human resources, especially those with *development* and *advertising skills*. There is also a need for consistency in policies, when the bottom has already initiated cooperation, those at the top must support it. For this reason, a strong leadership commitment is needed in realizing a significant digital transformation, in addition to having adequate infrastructure.

REFERENCES

- Al-Hasanah, E. J. (2021). *Akuntabilitas Zakat Muhammadiyah, Antara Keikhlasan dan Profesionalisme* (Cetakan 1). PT Media Baca Anasti.
- Blackbaud.com. (2021). *Indeks Institut Blackbaud*. blackbaud.com. Retrieved from <https://institute.blackbaud.com/the-blackbaud-institute-index/>
- Che Mohd Salleh, M., & Chowdhury, M. A. M. (2020). Technological Transformation in Malaysian Zakat Institutions. *International Journal of Zakat*, 5(3), 44–56. <https://doi.org/10.37706/ijaz.v5i3.263>
- Creswell, J. W. (2015). *Penelitian Kualitatif dan Desain Riset Memilih Di Antara Lima Pendekatan* (3 ed.). Pustaka Pelajar.
- Furqon, M. (2021). *Wawancara Fundraising Digital Lazismu*. Muhammad Furqon adalah Manager Public Relations, Digital dan Layanan Lazismu, wawancara dilakukan via zoom meeting, 28 September 2021.
- Hamid Abidin, Agus Budiyanto, S. N. R. (2020). *Amil di era digital, Laporan Riset Kesiapan Lembaga Amil Zakat dalam Menghadapi Era Digital*. Filantropi Indonesia & Forum Zakat.

- Hudaefi, F. A., & Beik, I. S. (2021). Digital zakāh campaign in time of Covid-19 pandemic in Indonesia: a netnographic study. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-09-2020-0299>
- Kabar24.bisnis.com. (2018). *LazisMU Kembangkan Sistem Digital Untuk Kemudahan Bayar Zakat*. Retrieved from <https://kabar24.bisnis.com/read/20180131/79/732848/lazismu-kembangkan-sistem-digital-untuk-kemudahan-bayar-zakat>
- Kahn, D. K. & R. L. (1978). *Katz, D & Kahn, R.L. The Social Psychology of Organization*. New York: Wiley.
- Kasri, R. A., & Yuniar, A. M. (2021). Determinants of digital zakat payments: lessons from Indonesian experience. *Journal of Islamic Accounting and Business Research, ahead-of p*(ahead-of-print). <https://doi.org/10.1108/JIABR-08-2020-0258>
- Katadata.co.id. (2019). *Gopay dan Lazismu Targetkan Donasi Digital Lebih dari Rp 13 Miliar*. Katadata. Retrieved from <https://katadata.co.id/pingitaria/digital/5e9a5514943de/gopay-dan-lazismutargetkan-donasi-digital-lebih-dari-13-miliar>
- kbbi.web.id. (2021). *Tehnologi, Digital*. kbbi.web.id. Retrieved from <https://kbbi.web.id/teknologi>
- Lazismu.org. (2021). *Donasi Terkumpul Lazismu*. Retrieved from <https://lazismu.org/>
- Lazismu.org. (2019). *Jelang Tanwir Lazismu Luncurkan ATM Beras*. Retrieved from <https://lazismu.org/view/jelang-tanwir-lazismu-luncurkan-atm-beras-941>
- Lazismu. (2019). *Panduan Lazismu*. Lazismu.
- Lazismu. (2021). *Rencana Strategis 2021 - 2025 Lazismu*. Lazismu.
- Matahatimu.org. (2021). *Berbagi Apa Hari Ini?* Retrieved from <https://matahatimu.org/>
- Mila Amrina, A. F. (2021). Penerapan Strategi Digital Marketing Dalam Meningkatkan Penghimpunan Dana ZIS (Zakat, Infaq, Sedekah) di Laznas IZI Jawa Timur. *Jurnal Ekonomika dan Bisnis Islam E-ISSN: 2686-620X Halaman 124-138*, 4, 124–138.
- Muktiono, E. (2021). *Wawancara Proses Digitalisasi Lazismu*. Edi muktiono adalah Direksi Penghimpunan Lazismu. Wawancara dilakukan di Kantor Lazismu Jl. Menteng Raya Nomor 62, tanggal 27 September 2021.
- Puskas Baznas. (2021). Model pendidikan digital bagi mustahik. In *Policy Brief*. Puskas Baznas.
- Riyanto, G. P. (2021). *Jumlah Pengguna Internet Indonesia 2021 Tembus 202*. Kompas.com. Retrieved from <https://tekno.kompas.com/read/2021/02/23/16100057/jumlah-pengguna-internet-indonesia-2021-tembus-202-juta>
- Santoso, I. R. (2019). Strategy for Optimizing Zakat Digitalization in Alleviation Poverty in the Era of Industrial Revolution 4.0. *Ikonomika*, 4(1), 35–52. <https://doi.org/10.24042/febi.v4i1.3942>
- Suara Muhammadiyah. (2020). *Lazismu dan PCS Indonesia Permudah Pembayaran ZIS Digital*. Suaran Muhammadiyah.id. Retrieved from <https://suaramuhammadiyah.id/2020/07/09/lazismu-dan-pcs-indonesia-permudah-pembayaran-zis-digital/>
- Surya, E. (2021). *Wawancara tentang*

Implementasi Fatwa Zakat MUI di LAZSIMU. Edi Surya adalah Direksi bagian kelembagaan dan SDM Lazismu. Wawancara pada tanggal 27 Septemberr 2021, dilakukan di kantor Lazismu PP Muhammadiyah, JL. Menteng Raya No, 62 Jakarta.

Thohari, H. (2017). *Wawancara Tentang Akuntabilitas Lazismu.* Hajriyanto Y Thohari adalah Ketua PP Muhammadiyah yang membidangi LAZISMU, Wawancara dilakukan dikediaman beliau di Pejaten Jakarta Selatan.

Widiastuti, T., Cahyono, E. F., Zulaikha, S., Mawardi, I., & Al Mustofa, M. U. (2021). Optimizing zakat governance in East Java using analytical network process (ANP): the role of zakat technology (ZakaTech). *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-09-2020-0307>

Yuliar, A. (2021). *Pengelola Zakat Di Era Digitalisasi.* 2(1), 65–76.

Zubaidah, S., & Afifah, A. (2020). Development of Zakat Management Digitalization in Indonesia. *International Conference of Zakat*, 459–468. <https://doi.org/10.37706/iconz.2020.227>

Erni Juliana Al Hasanah Nasution
Institut Tehnologi dan Bisnis Ahmad
Dahlan
ernijuliana76@gmail.com