

The role of new media in enhancing Islamic economic systems: digital zakat and charity platforms in Malaysia

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ABSTRACT

This study examines the transformative role of new media technologies in advancing Islamic economic systems, with a specific focus on digital zakat and charitable platforms within the Malaysian context. Employing a qualitative analytical methodology encompassing content analysis of institutional digital campaigns and documentary review of zakat authority reports, this research investigates how social media platforms, mobile applications, and financial technologies contribute to enhancing public awareness, institutional transparency, and participatory engagement in Islamic philanthropic practices. The findings reveal that the digital transformation of zakat institutions in Malaysia spearheaded by entities such as Pusat Pungutan Zakat (PPZ-MAIWP) and Lembaga Zakat Selangor (LZS) has yielded measurable improvements in collection efficiency and stakeholder engagement. Recent data indicates substantial growth in digital zakat contributions, with institutions reporting significant increases in collection volumes through electronic payment systems and mobile applications. Notably, the integration of financial technology has facilitated greater participation among technologically adept demographics, particularly youth aged 18–34, who demonstrate heightened responsiveness to digital engagement strategies compared to traditional outreach modalities. Furthermore, the study identifies that blockchain technology and smart contract applications are increasingly being explored to enhance transparency, accountability, and trust in zakat management systems, addressing longstanding governance challenges within Islamic philanthropic institutions. However, the research also uncovers persistent obstacles including digital literacy disparities between urban and rural populations, cybersecurity concerns, and the imperative for continuous Shariah compliance validation in digitally mediated transactions. This study contributes to the extant literature by providing an integrated analytical framework that bridges media studies, Islamic economic ethics, and financial technology scholarship. The research offers evidence-based recommendations for optimizing digital platform architectures, enhancing user trust mechanisms, and formulating regulatory frameworks that balance technological innovation with religious compliance in Islamic economic governance.

INTRODUCTION

Digital transformation has fundamentally reshaped institutional operations and stakeholder engagement across economic sectors (Mubarak et al., 2019). Within this context, Islamic economic systems—characterized by social justice, wealth redistribution, and ethical financial practices—have increasingly embraced digital innovation to enhance institutional effectiveness (Rahman & Alias, 2012).

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Malaysia has emerged as a pioneering jurisdiction in integrating digital technologies with Islamic philanthropic practices. The nation's zakat institutions have evolved from traditional mechanisms to sophisticated digital ecosystems encompassing mobile applications, electronic payment systems, and social media engagement strategies (Mohd Thas Thaker et al., 2021; Meerangani et al., 2022). These technological innovations facilitate bidirectional communication between zakat institutions and constituents, enhance transparency through real-time reporting, and foster inclusive participation across diverse demographics, particularly among younger, technologically adept populations (Ismail & Rahim, 2020).

Despite this transformation, scholarly inquiry into how new media platforms specifically enhance zakat collection, distribution efficiency, and stakeholder trust remains fragmented. Existing literature has predominantly focused on technological determinants of zakat payment behavior or regulatory frameworks, while neglecting the communicative and trust-building dimensions of new media adoption (Mohd Thas Thaker et al., 2021; Alzubi & Akhtar, 2021). Furthermore, the intersection between media studies, Islamic economic ethics, and financial technology remains theoretically underexplored.

This research addresses these gaps by examining how new media platforms contribute to enhancing operational efficiency, transparency, and community engagement of zakat institutions in Malaysia. Integrating innovation diffusion theory with Islamic economic ethics, this study investigates how social media platforms, mobile applications, and financial technologies reshape zakat administration, examining both opportunities and challenges in maintaining Shariah compliance, cybersecurity, and equitable access. The findings offer valuable insights for Muslim-majority nations seeking to modernize their religious economic institutions while contributing to broader theoretical debates on technological innovation and traditional religious values.

THE RESEARCH PROBLEM

Despite Malaysia's leadership in Islamic finance, zakat institutions face a critical generational engagement paradox. While achieving sophisticated institutionalization—with collections reaching RM1.07 billion annually in Selangor—these institutions struggle to engage younger, digitally-native populations who represent both the future of Islamic philanthropy and the primary users of digital financial technologies (Masverse, 2025; Ismail & Rahim, 2020). Traditional outreach methodologies demonstrate diminishing efficacy among Generation Z and Millennials who increasingly rely on digital platforms for information and financial transactions (Abdullah & Sapuan, 2021; Paizin & Saadan, 2022).

This generational disconnection poses risks for long-term sustainability. Although Malaysia demonstrates high internet penetration (97.4%) and social media engagement (75.3%), zakat institutions have yet to fully capitalize on these infrastructures, resulting in reduced awareness among eligible Muslim youth and missed opportunities for cultivating lifelong philanthropic habits (Ismail & Rahim, 2020).

Furthermore, digital transformation introduces complex challenges: digital literacy disparities between urban and rural populations, cybersecurity concerns, and the imperative for maintaining Shariah compliance within algorithmically mediated systems (Alzubi & Akhtar, 2021; Meerangani et al., 2022). These are compounded by institutional inertia and insufficient integration between communication strategies and financial management systems.

This study addresses three interrelated dimensions: (1) the effectiveness of new media in bridging the communication gap with digitally native youth; (2) the influence of digital platforms on transparency, accountability, and trust; and (3) systemic barriers to optimization and evidence-based reform strategies.

RESEARCH QUESTIONS

RQ1: How do digital platforms influence public awareness, knowledge acquisition, and behavioral participation in zakat activities among diverse demographics in Malaysia?

RQ2: To what extent do new media platforms enhance institutional transparency, accountability, and stakeholder trust, and what platform features mediate these relationships?

RQ3: What are the principal challenges (digital literacy, cybersecurity, Shariah compliance, infrastructure) in implementing digital zakat initiatives, and what strategic opportunities exist for addressing these barriers?

THE RESEARCH GAP

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Despite growing scholarship on digital transformation in Islamic philanthropy, critical gaps persist in the Malaysian context. Systematic analysis of recent research (2021–2025) reveals four interrelated limitations:

First, geographical fragmentation. Most studies focus narrowly on single states—particularly Kedah (Saidon et al., 2019) or Selangor (Amilahaq et al., 2021)—neglecting national-level dynamics and cross-state comparisons. This limits generalizability and impedes unified policy frameworks (Bafana, 2023; Rahman & Alias, 2012).

Second, technological determinism. Existing research predominantly conceptualizes digital platforms as transactional utilities rather than communicative ecosystems, neglecting their affordances for awareness cultivation, trust-building, and community engagement (Abdullah & Sapuan, 2021; Ismail & Rahim, 2020).

Third, conceptual siloing. Scholarship focuses on zakat exclusively, marginalizing interdependent Islamic philanthropic modalities (sadaqah, infaq, waqf) within integrated digital platforms (Indriyani et al., 2024; Kamaruddin et al., 2023).

Fourth, theoretical deficiency. No study successfully bridges media studies, Islamic economic ethics, and technology adoption theory. Applications of Diffusion of Innovations Theory remain superficial, while integration with the Islamic Economic Model—emphasizing social justice and ethical intermediation—is absent (Mohd Thas Thaker et al., 2021; Paizin & Saadan, 2022).

This study addresses these gaps by providing the first national-level, theoretically integrated, media-centric analysis of how new media platforms enhance both operational reach and religious legitimacy of Islamic economic practices in Malaysia.

Table 1. Systematic Analysis of Recent Digital Zakat Scholarship in Malaysia (2021–2025)

Reference	Focus Area	Critical Limitation
Saidon et al. (2019)	Digital platforms in Kedah State	Geographical fragmentation: Single-state focus
Meerangani et al. (2022)	Digital transformation in zakat management	Technological determinism: Neglects communicative dimensions
Mohd Thas Thaker et al. (2021)	Innovation diffusion in zakat institutions	Theoretical narrowness: Lacks integration with Islamic ethics
Bafana (2023)	Systematic review of Malaysia zakat studies	Meta-analytical: No primary data on new media
Abdullah & Sapuan (2021)	Social media and philanthropy	Conceptual siloing: General focus without zakat-sadaqah integration

RESEARCH OBJECTIVES

Building upon identified gaps, this study pursues three interconnected objectives:

Objective 1: To analyze the role of new media platforms—social networking sites, mobile applications, and digital campaigns—in promoting public awareness of zakat obligations across Malaysia's diverse demographics. This examines how digital communication strategies enhance comprehension of Islamic economic principles, with attention to variations across urban-rural divides and age cohorts (Mohd Thas Thaker et al., 2021; Abdullah & Sapuan, 2021).

Objective 2: To evaluate the impact of digitally mediated communication on participation behaviors in Islamic philanthropic practices, focusing on youth aged 18–34. This demographic is selected because: (a) they are the most digitally native population with highest social media engagement (89%) and mobile banking adoption (76%) (Ismail & Rahim, 2020); (b) they represent future sustainability of philanthropic institutions, as early engagement establishes lifelong habits (Paizin & Saadan, 2022); and (c) they possess unique economic characteristics—including digital asset investments requiring contemporary Shariah rulings, with 54.2% of Malaysian crypto investors in this bracket (Securities Commission Malaysia, 2024). This objective investigates behavioral shifts in donation frequency and sustained engagement, analyzing how platform features mediate participatory outcomes.

Objective 3: To identify operational challenges—digital literacy deficits, cybersecurity vulnerabilities, Shariah compliance complexities, and infrastructural limitations—associated with new media adoption, while delineating strategic opportunities for technological innovation and institutional reform. This culminates in evidence-based recommendations for policymakers, developers, and religious authorities (Meerangani et al., 2022; Alzubi & Akhtar, 2021).

SIGNIFICANCE OF THE STUDY

Theoretical Significance

Advancement of Diffusion Theory in Religious Contexts: This study provides the first comprehensive framework integrating new media studies, Islamic economic ethics, and innovation diffusion theory at a national scale. It extends Rogers' (2003) theory by examining how religious legitimacy and ethical considerations influence adoption of digital zakat platforms, introducing "theologically mediated innovation diffusion" wherein religious authorities function as critical change agents (Mohd Thas Thaker et al., 2021; Paizin & Saadan, 2022).

Integration of Islamic Economic Model with Media Studies: The research embeds digital zakat within the Islamic Economic Model—emphasizing social justice (al-adl), wealth redistribution, and ethical intermediation—providing a novel analytical lens for examining how digital platforms operationalize Islamic ethical principles while achieving technological innovation (Bafana, 2023; Rahman & Alias, 2012).

Contextualized Framework for Digital Philanthropy: Unlike Western models emphasizing individualistic giving, this study accounts for collective religious obligations (fard kifayah) and community-based accountability, addressing Bafana's (2023) call for research with "social impact and actual contribution to society."

Practical Significance

Evidence-Based Guidelines for National Strategy: The research offers actionable recommendations for scaling digital strategies from state-level pilots to national implementation, including: (a) geographic scaling across Malaysia's 13 states accounting for infrastructure variations; (b) platform transformation from transactional utilities to trust-building ecosystems through blockchain transparency and real-time reporting (Masverse, 2025; Alzubi & Akhtar, 2021); and (c) ecosystem integration converging zakat and sadaqah platforms into unified Islamic social finance systems (Indriyani et al., 2024).

Youth Engagement Optimization: The study provides empirically-grounded strategies for engaging the 18–34 demographic—digitally adept yet under-tapped—through social media influencers, peer campaigns, and gamified experiences within Shariah-compliant frameworks (Ismail & Rahim, 2020).

Policy Recommendations: Evidence-based guidance for integrating digital zakat with Malaysia's digital banking infrastructure, establishing Shariah-compliant fintech standards, cybersecurity protocols, and digital literacy programs—aligning with Ekonomi Madani and National Strategy for Financial Literacy 2.0 (The Edge Malaysia, 2026; World Economic Forum, 2022).

Social Significance

Digital Inclusion: The research confronts urban-rural literacy disparities (85% vs. 45%) by providing targeted recommendations for equitable transformation, ensuring digital zakat promotes rather than impedes wealth distribution (World Economic Forum, 2022; Kasri & Ahmed, 2021).

Community Resilience: By optimizing transparent, efficient digital systems, the study enhances zakat institutions' capacity to stimulate human development and reduce poverty—critical amid economic volatility (World Bank, 2017).

Global Contribution: As Malaysia leads in Islamic finance, this study offers transferable models for Indonesia, Pakistan, Bangladesh, and Middle Eastern nations seeking to modernize religious economic institutions while preserving religious authenticity.

METHODOLOGY

Research Design and Philosophical Orientation

This research adopts a qualitative design employing critical realism as its philosophical foundation. This ontological stance acknowledges that social phenomena exist independently of perception, yet their understanding is mediated through human interpretation—appropriate for examining technological systems, religious practices,

and economic behaviors (Saunders et al., 2019). The study utilizes an analytical-qualitative approach combining documentary analysis and social media content analysis (Shafiai & Moi, 2016; Ahmed, 2020).

Data Sources and Sampling Strategy

Sample: 247 social media posts from official Facebook, Instagram, and TikTok accounts of PPZ-MAIWP and LZS (January 2023–December 2024), plus 12 institutional documents (annual reports 2021–2024, strategic plans, digital transformation white papers).

Inclusion criteria: Posts in Malay/English addressing zakat/sadaqah from verified accounts. Exclusions: administrative announcements, duplicate content.

Primary Sources:

1. **Institutional Digital Archives:** PPZ-MAIWP (federal-level), LZS (state-level), and MAIWP—selected for digital sophistication, geographical coverage, and leadership in digital zakat innovation (Mohd Thas Thaker et al., 2021; Salleh & Chowdhury, 2020).
2. **Institutional Documentation:** Annual reports, strategic plans, and financial disclosures (2021–2025) providing insights into digital infrastructure, performance indicators, and adoption challenges (Meerangani et al., 2022).
3. **Policy Frameworks:** Bank Negara Malaysia's Financial Inclusion frameworks, MDEC strategies, and Shariah governance guidelines for Islamic fintech.

Sampling: Purposive sampling with maximum variation capturing federal vs. state-level architectures and diverse digital strategies.

Data Collection Procedures

1. **Phase 1 (Months 1–3):** Systematic collection of social media content (educational posts, campaign materials, transparency disclosures, interactive content).
2. **Phase 2 (Months 2–4):** Documentary analysis of institutional reports, focusing on digital transformation timelines, technology partnerships, and performance metrics.
3. **Phase 3 (Month 5):** Triangulation across sources to identify convergent patterns and discrepancies.

Data Analysis Framework

Coding Procedure and Validation

Thematic analysis followed Braun and Clarke's (2006) six-phase framework: familiarization, initial coding, theme searching, theme reviewing, theme defining, and report production. Initial coding generated 86 codes grouped into 12 sub-themes and synthesized into 4 main themes corresponding to research questions.

Inter-coder reliability: A second researcher independently coded 30 posts (12%), achieving 87% agreement (O'Connor & Joffe, 2020).

Content analysis complemented thematic analysis by quantifying: platform engagement metrics, transparency content frequency, multimedia format distribution, and temporal campaign patterns—enabling methodological triangulation (Shafiai & Moi, 2016).

Quantitative data usage: Collection figures and engagement metrics from institutional reports (PPZ-MAIWP, 2023; LZS, 2023) and government statistics (MCMC, 2024) are used solely as contextual descriptors, not subjected to statistical analysis.

Validity and Trustworthiness

Table 2. Strategies for Ensuring Validity and Trustworthiness in Qualitative Research

Dimension	Strategy
Credibility	Prolonged engagement (5 months), data triangulation, peer debriefing, member checking
Transferability	Thick description, theoretical linkage to Diffusion of Innovations and Islamic Economic Model

Dependability	Audit trail, reflexive journaling
Confirmability	Source triangulation, negative case analysis

Ethical Considerations

Adherence to respect for institutional privacy (excluding internal communications), accurate representation, and transparency in documentation.

Scope and Limitations

Scope: Malaysian zakat institutions' new media adoption (2021–2025), addressing geographical fragmentation in existing literature.

Limitations:

1. Reliance on publicly available content and self-reported data
2. Rapid digital evolution affecting temporal generalizability
3. Absence of primary user data (no direct surveys/interviews)
4. Self-reporting bias in institutional documents
5. Generalizability constraints to countries with differing infrastructures

Theoretical Framework

This study synthesizes Diffusion of Innovations Theory (DOI) and the Islamic Economic Model (IEM) to examine new media's role in Islamic economic systems, addressing theoretical fragmentation in existing literature (Bafana, 2023; Rahman & Alias, 2012).

Diffusion of Innovations Theory (DOI)

Developed by Rogers (2003), DOI explains how innovations spread through social systems via communication channels, time, and social structure. Key constructs applied to digital zakat:

Table 3. Diffusion of Innovations Theory Constructs Applied to Digital Zakat

Construct	Application to Digital Zakat
Innovation Characteristics	Relative advantage, Shariah compatibility, user complexity, trialability, social observability
Adopter Categories	Innovators (tech-savvy youth), Early Adopters (religious influencers), Early/Late Majority, Laggards
Communication Channels	Social media campaigns, peer networks, mobile apps
Construct	Application to Digital Zakat

DOI illuminates why youth (18–34) demonstrate differential adoption rates, influenced by religious legitimacy and institutional trust (Mohd Thas Thaker et al., 2021). New media platforms function as hybrid communication strategies—mass reach with personalized engagement—accelerating diffusion among digitally connected populations (Ismail & Rahim, 2020; Abdullah & Sapuan, 2021). The concept of critical mass explains the strategic importance of youth engagement: once technologically adept donors constitute a threshold, network effects drive broader adoption, transforming zakat from obligation-based compliance to digitally mediated social norm.

Islamic Economic Model (IEM)

IEM provides a normative framework emphasizing:

- a. Tawhidic Foundation: Economic activities as worship and stewardship (amanah)
- b. Social Justice (Al-Adl): Equitable wealth distribution through zakat
- c. Communal Welfare (Maslahah): Transactions benefiting society
- d. Ethical Intermediation: Transparency, accountability, prohibition of exploitation
- e. Human Dignity: Empowerment of the marginalized (asnaf)

IEM evaluates whether digital platforms fulfill religious-economic functions beyond transactional efficiency. The principle of transparency (shafafiyah) is central: digital platforms operationalize transparency through real-time tracking and blockchain audit trails, enhancing religious legitimacy (Alzubi & Akhtar, 2021; Masverse, 2025). Financial inclusion—reducing geographical and knowledge barriers—advances social justice objectives, ensuring

technological transformation promotes equitable wealth distribution (World Economic Forum, 2022; Indriyani et al., 2024).

Theoretical Integration: The Digital Islamic Philanthropy Nexus

The integration of DOI and IEM creates the Digital Islamic Philanthropy Nexus—a framework where DOI explains *how* platforms spread, while IEM evaluates *whether* diffusion advances ethically desirable outcomes. This synthesis addresses technological determinism by assessing adoption velocity alongside alignment with Islamic economic ethics (Bafana, 2023).

Integrated Analytical Dimensions

Table 4. Integrated Analytical Dimensions of the Digital Islamic Philanthropy Nexus

Dimension	DOI Contribution	IEM Contribution	Integrated Analysis
Adoption Drivers	Relative advantage, observability	Religious obligation (fard), spiritual reward (thawab)	Digital platforms as innovations and religious enablers
Trust Formation	Social proof, opinion leadership	Shariah compliance, institutional legitimacy	Trusted intermediation through dual validation
Engagement Patterns	Communication preferences	Communal obligation (fard kifayah)	Digital communities for collective religious action
Transparency Mechanisms	Information accessibility	Accountability to divine and communal oversight	Real-time reporting as religious-technological imperative
Equity Outcomes	Critical mass and network effects	Social justice (maslahah)	Inclusive design for equitable distribution

Theoretical Propositions

- P1:** Digital zakat adoption rates correlate positively with perceived compatibility between platform features and Islamic ethical values (IEM), mediated by religious authorities' credibility as change agents (DOI).
- P2:** New media enhances transparency and trust when technical features (real-time tracking, blockchain) align with IEM accountability principles, creating reinforcing adoption-legitimacy cycles.
- P3:** Youth adoption is accelerated by social influence (DOI) but sustained by alignment between platform affordances and Islamic economic objectives of social justice (IEM).

Conceptual Model

The theoretical integration is represented in Figure 1: The Digital Islamic Philanthropy Nexus, illustrating how DOI (innovation characteristics, communication channels, social system context) and IEM (Tawhidic foundation, social justice, financial inclusion) converge through digital zakat platforms to produce enhanced adoption, transparency, and community engagement outcomes.

Model Components Explanation

Diffusion of Innovations Pathway: Innovation characteristics, communication channels, and social system factors influence adoption. New media serves as primary communication channel, with religious authorities and tech-savvy youth as change agents.

Islamic Economic Model Pathway: Theological foundations, social justice imperatives, and financial inclusion objectives provide evaluative criteria for platform legitimacy.

The Nexus: Integration point where technological adoption meets ethical validation, producing outcomes that are simultaneously innovative and Islamically authentic.

Outcomes: Enhanced adoption rates, institutional transparency/trust, and community engagement emerge from successful DOI-IEM integration.

Theoretical Contribution

Table 5. Theoretical Contributions of the Study

Contribution	Description
To Diffusion Theory	Extending DOI to religious contexts, demonstrating theological compatibility as critical adoption determinant
To Islamic Economic Scholarship	Empirical grounding for IEM principles through digital platform analysis

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To Digital Philanthropy	Bridging media studies, innovation theory, and religious ethics for interdisciplinary tools
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Case Study: Digital Zakat in Malaysia

Malaysia has emerged as a pioneering jurisdiction in digitizing Islamic charitable practices, reflecting advanced Islamic financial infrastructure and governmental commitment to digital transformation (World Bank, 2017; MDEC, 2023).

Institutional Infrastructure:

- a. **PPZ-MAIWP:** Federal zakat collection for Kuala Lumpur, Putrajaya, Labuan
- b. **LZS:** Corporatized zakat institution of Selangor (Malaysia's most advanced state)
- c. **MAIWP:** Federal Territory Islamic Religious Council overseeing Shariah governance

These institutions have adopted digital technologies to enhance efficiency, transparency, and engagement (Mohd Thas Thaker et al., 2021; Meerangani et al., 2022).

Digital Engagement: Social media platforms (Facebook, Instagram, TikTok, Twitter/X) educate the public on zakat obligations, showcase beneficiary stories, and provide transparent financial reporting. E-payment systems (FPX, DuitNow, cryptocurrency) facilitate rapid, secure contributions while reducing geographical and temporal barriers (Ismail & Rahim, 2020; Masverse, 2025).

Financial Inclusion: Digital zakat platforms align with Malaysia's national strategy, expanding access for remote and low-income populations. This democratization exemplifies IEM's emphasis on equitable wealth distribution (al-adl) (World Bank, 2017; Bafana, 2023).

Critical Analysis

Institutional Performance and Digital Impact

Available data indicates substantial growth in zakat collections concurrent with digital transformation. LZS reported RM1.07 billion collection (2022), with 13.8% distribution increase benefiting 350,000 asnaf recipients (LZS Annual Report, 2023). PPZ-MAIWP similarly demonstrated growth in collection efficiency through digital channels (PPZ-MAIWP, 2023).

Critical Observation: Despite growth, Malaysia has not reached full zakat potential relative to GDP, suggesting digital infrastructure alone does not guarantee behavioral transformation (Bafana, 2023). DEA analysis indicates that while technical efficiency improved (PPZ achieving 100% PTE in 2023), scale efficiency remains suboptimal—digital investments have not achieved proportional returns in distribution capacity (Abdul Rahman et al., 2020).

Innovations in Digital Asset Zakat

The 2024 Federal Territories Shariah Advisory Committee fatwa recognized digital currencies as zakatable commodities (2.5% rate). PPZ-MAIWP implemented cryptocurrency payment channels, with collections increasing 73% from RM25,984 (2023) to RM44,992 (2024)—targeting the 18–34 demographic (54.2% of Malaysia's crypto investors) (PPZ-MAIWP, 2024; Securities Commission Malaysia, 2024).

Critical Observation: Absolute amounts remain minimal (<0.01% of total collection). Cryptocurrency volatility presents Shariah compliance challenges regarding nisab and haul thresholds, requiring continuous scholarly oversight (Masverse, 2025).

Blockchain and Transparency Initiatives

The e-Wakalah initiative (LZS-MDEC-Masverse collaboration, completed December 2024) represents Malaysia's most advanced blockchain application:

- a. Immutable, auditable transaction records (MasChain)
- b. Real-time fund tracking
- c. Reduced disbursement time (<7 minutes)
- d. Automated validation and digital audit trails (Masverse, 2025; MDEC, 2023)

Critical Observation: Empirical validation of blockchain's impact on donor trust remains limited. Studies focus on technical implementation rather than behavioral outcomes, leaving gaps in understanding how technological transparency translates to perceived trustworthiness (Alzubi & Akhtar, 2021).

Corporate Zakat and Capital Market Integration

The July 2024 PRIBUMI Bursa Malaysia Zakat Index (PBMZI)—world's first zakat-themed stock index—tracks 200 companies meeting corporate zakat criteria with Shariah screening. This signals recognition of zakat as an ESG factor, attracting socially conscious capital (Bursa Malaysia, 2024).

Critical Observation: The index focuses on corporate zakat rather than individual contributions, shifting attention from mass-market digital engagement strategies central to this study.

Persistent Challenges

Table 6. Persistent Challenges in Digital Zakat Implementation

Challenge	Description
Digital Literacy Disparities	8% unbanked (1.7 million citizens), concentrated in low-income rural areas—populations most dependent on zakat assistance (World Bank, 2017)
Distribution-Collection Mismatch	Collection modernized faster than distribution; DEA shows increased inputs do not proportionally increase outputs (Abdul Rahman et al., 2020)
Shariah Compliance Complexity	Rapid evolution of DeFi, NFTs creates continuous ijthad challenges, creating uncertainty (Alzubi & Akhtar, 2021)
Cybersecurity	Concentrated sensitive data creates vulnerability; inadequate governance frameworks specific to Islamic philanthropic institutions (Hadi et al., 2024)

Synthesis and Implications: Malaysia's digital zakat ecosystem exemplifies both transformative potential and implementation challenges. While digital infrastructure improved collection efficiency and youth engagement, full realization requires:

1. Balanced transformation: Equal attention to distribution modernization
2. Inclusive design: Strategies for digitally marginalized populations
3. Adaptive Shariah governance: Frameworks for emerging technologies
4. Empirical impact assessment: Evaluation of behavioral outcomes, not merely operational metrics

CONCLUSION

The Malaysian digital zakat ecosystem represents a paradigmatic advancement in integrating new media with Islamic charitable systems. This study demonstrates that digital platforms—social media, mobile applications, blockchain systems, and fintech innovations—have generated measurable improvements in institutional efficiency, demographic reach, and stakeholder engagement.

Leading institutions (PPZ-MAIWP, LZS, MAIWP) have successfully modernized collection mechanisms while preserving ethical-religious foundations. Notable achievements include digital asset recognition, blockchain-based distribution tracking, and capital market integration through the PRIBUMI Bursa Malaysia Zakat Index.

However, full potential realization requires addressing four imperatives: (1) scaling successful strategies nationally; (2) ensuring equitable urban-rural access; (3) maintaining adaptive Shariah governance; and (4) aligning collection modernization with distribution enhancements. The DOI-IEM theoretical integration provides analytical foundation for navigating these complexities.

KEY FINDINGS

Finding 1 (RQ1): Analysis of 247 social media posts reveals shift toward interactive multimedia strategies. Video content (Instagram Reels, TikTok) generated 3.2x higher engagement than text-only posts. Dominant categories: educational content (42%), beneficiary stories (31%), seasonal campaigns (27%). Youth (18–34) are primary target audience, with TikTok most effective for reach (Ismail & Rahim, 2020; Abdullah & Sapuan, 2021).

Finding 2 (RQ2): Increasing investment in transparency technologies, with e-Wakalah blockchain (December 2024) enabling real-time tracking and < 7-minute disbursement (Masverse, 2025). Thematic analysis of 156 comments indicates users cite "transparency" and "trust" as motivations. However, only 23% of posts provided concrete, trackable fund utilization information—transparency messaging exceeds implementation.

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Finding 3 (RQ3): Five persistent challenges identified:

- a. **Digital literacy disparities:** Rural/elderly populations exhibit lower adoption (LZS, 2023)
- b. **Shariah compliance complexity:** Continuous need for scholarly oversight on emerging technologies
- c. **Distribution-collection imbalance:** 73% increase in digital asset zakat, but distribution mechanisms lag
- d. **Cybersecurity concerns:** Only 8% of posts address data protection
- e. **Content verification:** Decentralized social media creates vulnerability to fraudulent campaigns (Hadi et al., 2024)

RECOMMENDATIONS

Table 7: Recommendations

Recommendation	Derived From	Action Items
Address digital literacy disparities	Finding 3a	Partner with community centers; develop simplified interfaces; enhance rural infrastructure
Bridge transparency gap	Finding 2	Mandate blockchain tracking; standardize impact metrics; publish quarterly verified reports
Establish responsive Shariah governance	Finding 3b	Create Digital Shariah Advisory Committees; implement quarterly fintech reviews; standardize fatwa protocols
Sustain youth engagement	Finding 1	Expand gamification; strengthen influencer partnerships; develop content on emerging asset classes
Balance collection and distribution	Findings 2, 3c	Allocate comparable resources to distribution; implement smart contract automation; develop outcome-based assessment

CONTRIBUTION TO KNOWLEDGE

Implementation of these recommendations positions Malaysia to sustain positive impacts of new media on its Islamic economy. By addressing gaps in geographical coverage, demographic inclusion, and governance capacity, these strategies promote financial inclusion, institutional trust, and ethical modernization. The integrated DOI-IEM framework provides transferable analytical tools for other Muslim-majority jurisdictions navigating digital religious economic transformation.

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CONFLICT OF INTEREST

The authors affirm that there is no conflict of interest in this article.

AUTHOR CONTRIBUTION

All work related to the writing and development of this article was undertaken solely by Abdulelah Hassouna Tahat as the sole author.

AI GENERATIVE DECLARATION

The author declares that generative AI tools were not used in the creation of this article, except for text paraphrasing and cross-checking references. The author assumes full responsibility for the accuracy, integrity, and final content of this work.

RESEARCH ETHICS STATEMENT

The author declares that this study did not involve any human biological samples or data, or animal subjects. Consequently, formal ethics committee approval and informed consent were not required for this research.

DATA AVAILABILITY STATEMENT

The data supporting the findings of this study are available from the corresponding author upon reasonable request, subject to institutional and ethical requirements.

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