



Remodelling Donor Behaviour

Foreword

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ
سُورَةُ آلِ عِمْرَانَ ٣:٩٢

Ye will not attain unto piety until ye spend of that which ye love. And whatsoever ye spend, Allah (God) is Aware thereof. [Holy Qur'an 3:92]

In the area of charitable giving, it is reasonable to understand that if donors are contented with the manner in which their contribution is being utilised by a charity organisation, they will maintain their relationship and continue donating in the long-term. Consequently, in order for this cooperative association between donor and recipient to remain effective, understanding donor motivations and behaviour becomes imperative for the receiving organisation, with the viewpoint that enhancing donor satisfaction will naturally lead to donor retention.

In this research, Abdulbaset Hamadi investigated faith-based donor behaviour in detail, remodelled it and proposed a new, practical model; generally applicable, though particularly suitable for Islamic institutions and donor circumstances specific to Muslim charitable giving. Additionally through his research into donor-recipient interaction, Abdulbaset has recognised significant issues with respect to donor retention and has proposed solutions for receiving organisations to address these problems. He has articulated the importance that charities need to place on donor behaviour; why donors give to specific causes and not to others; and understood the determinants driving decision-making in donating to humanitarian organisations and causes. Furthermore, Abdulbaset has identified that existing models fail to go far enough, in that they cannot be universally applied to all charities and contexts as they do not recognise major determinants in donor decision-making, for example donor decisions required for products such as *Zakah* or *Waqf*, or under specific circumstances, such as during the holy month of Ramadan, in which donors have a significantly greater propensity for donating, regardless of the presence of an expressed or advocated need.

Furthermore, Abdulbaset has gone beyond the proposed model, into actionable recommendations, such as tangible schemes to improve product offerings, donor opportunities, retention of donors and more effective marketing. These include, for example, enhanced donor involvement through the formation of donor committees, consisting of key donors; based on the research finding that if donors are provided with opportunities to have a greater sense of stakeholder participation beyond merely their financial contribute, they would be significantly more likely to remain loyal to the institution in the long-term.

In the broader context, we at Islamic Relief Academy are keenly engaged in exploring key issues around faith and development, including fiscal aspects of Islam, such as Islamic philanthropy, *Waqf* and Islamic microfinance. Consequently, published research can inform the development sector through empirically-based, evidential research in the field of Islam and development and, more broadly, lend our support for the positive value faith adds to humanitarian and development work.

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Executive Summary

This paper analysed donor behaviour models and frameworks in relation to charitable giving and examined their universal applicability through a deeper understanding of how and why donors actually donate. The outcome of this study is an extended knowledge of donor behaviour, represented through a more comprehensive and applicable model.

Existing donor behaviour models were constructed as a result of greater competition in the growing global charity sector, driving philanthropic marketers and researchers to gain a better understanding of donor behaviour, particularly in terms of motivation and decision-making. However, as a relatively recent field of study, the few models that have been proposed suggest limited determinants and motivations and are relevant to some contexts and situations but not all. Some faith-based donations for example, have slightly different characteristics and significant religious determinants that are not covered in existing models.

The literature review examined existing donor behaviour models and critically evaluated their applicability, benefits and limitations. Qualitative research was conducted to ascertain specific motivations of faith-based donors, with a particular focus on Muslim donors. The findings show that *Waqf* (religious endowments) and *Zakah* (obligatory almsgiving) donations are made as a result of particular motivations (e.g. religious obligations) with specific determinants, and therefore have a different decision-making process. To address the newly examined motivations and determinants, a more exhaustive donor behaviour model has been designed and presented in the conclusion.

Given its potential applicability to a wider range of causes and donations, Islamic charities and organisations alike are strongly recommended to use the new model for designing more efficient and effective marketing and fundraising strategies, resulting in better donor acquisition and retention.

Finally, due to the fact that this research utilised a qualitative methodology, future research is recommended for further quantification of the proposed new motivations and determinants in order to allow generalisation.

Introduction

Background

Over the last few decades, the world has witnessed remarkable growth in the charity sector (Ranganathan and Sen, 2012). Not-for-profit organisations (NPOs) have grown in number as well as in the scope of their work, playing a crucial role in many aspects of human endeavours (Callero, 1987). In the UK, the number of registered charities in 2010 exceeded 215,000 organisations (Charity Commission, 2010) which has led to greater competition as the rise in number has not been matched by equal growth in funds and support (Sargeant and Woodliffe, 2007). In fact, there have been continuous government cuts combined with a decline in individual spending on charitable causes, i.e. the two main sources of charity funds (Croson *et al*, 2010) with the largest portion coming from the latter (Bishop 2005). NPOs have therefore strategically focussed more on fundraising among individual donors, which also diversifies their source of income and minimises risk, rather than becoming financially dependent on institutional funding (Hager *et al*, 2002).

In order to survive in such a competitive environment and maximise funds from individuals, charities have resorted to using generic, transferable marketing techniques (Dolnicar and Randle, 2007). However, a prerequisite to using these techniques effectively is understanding donor behaviour, particularly with regards to motivation and decision-making so that marketing and fundraising strategies can be tailored to donors' needs and expectations (Nichols, 1995). Without in-depth understanding of donor behaviour, NPOs risk wasting resources and missing fundraising opportunities by developing the wrong strategies, targeting the wrong audiences and communicating the wrong messages (Kotler and Lee, 2005). As well as being ineffective and wasteful, this can damage an organisation's reputation and credibility, resulting in a loss of stakeholders' trust.

Many faith-based NPOs working in the humanitarian aid sector seek to alleviate poverty by not only responding to emergencies but implementing long-term sustainable development programmes. These humanitarian programmes often focus on providing better access to water and sanitation, healthcare, education and livelihood opportunities for the world's poorest communities, typically in Africa and Asia. To fund these programmes, Islamic NPOs rely mostly on donations such as *Zakah* (obligatory almsgiving) and *Waqf* (religious endowment). The former is necessary as a short-term source of funding while the latter is important for securing long-term financing. Both are crucial for sustaining humanitarian projects and covering NPOs' administrative and fundraising costs. However, given the extent of competition and future uncertainty, Islamic NPOs are strategically focussing more on maximising *Waqf* funds. *Waqf* is characterised by the exceptional ability to perpetuate an individual's donation by investing it, as opposed to spending it, while the yielded returns are spent on charitable activities and organisational costs.

Current marketing efforts to promote *Waqf* face numerous challenges and many key stakeholders believe that the *Waqf* schemes on offer, and the way they are marketed, are flawed. In many cases, the entire schemes and their marketing strategies were developed without involving the relevant donors at any stage. In addition, limited research has been done to better understand faith-based donors' behaviour. As a result, *Waqf* schemes are currently offering irrelevant features to donors, struggling to meet their requirements and causing donors to lose interest.

This research thus sought to ascertain *why* and *how* donors decide to make donations, particularly to *Waqf* schemes, and how that impacts the way *Waqf* is marketed. The findings are expected to contribute to shaping the way Islamic NPOs market *Waqf* and result in generating more funds and organisational growth in the coming years.

Research Questions

This research seeks to provide answers to the following questions:

1. What motivates donors to make donations, particularly to *Waqf*?
2. What is the donors' decision-making process?
3. Do current *Waqf* marketing strategies conform to donors' actual behaviour?
4. How can *Waqf* marketing strategies be optimised (i.e. made more efficient and effective) in light of the research findings?

Research Aims

This research aims to study donor behaviour in relation to 'Islamic' donations, with a particular emphasis on *Waqf*. The understanding of why and how individuals donate to *Waqf* will help faith-based NPOs devise donor-tailored marketing strategies that are shaped by donors' characteristics, their 'giving' determinants and decision-making processes. It is expected that this understanding will improve fundraising efforts and help maximise income. If achieved, NPOs will be able to secure their future funds and sustain their philanthropic programmes.

Research Objectives

Based on the research questions, the following objectives have been derived:

1. To analyse donors' motivation for making donations:
 - + To identify what motivates donors to donate in general.

2. To analyse donors' decision-making process and model their behaviour:
 - + To explore the 'giving' motives of *Waqf* donors.
 - + To determine how donors decide to donate.
 - + To identify the key components and determinants of the donating process and propose a reflective decision-making model.
 - + To determine the factors that may enhance or inhibit donors' behaviour.
3. To evaluate if *Waqf*'s current marketing strategies are in line with actual donor behaviour:
 - + To evaluate if *Waqf*'s marketing strategies account for actual donor motivation(s).
 - + To evaluate if *Waqf*'s marketing strategies account for the actual donor decision-making process.
4. To identify what aspects of the *Waqf* marketing strategy need to change for more efficiency and effectiveness, by utilising the findings:
 - + To identify the marketing aspects that can be improved.
 - + To identify changes based on the new understanding of donor behaviour.
 - + To determine how they can be reflected in *Waqf* marketing and be aligned with donors' actual characteristics.

Research Rationale

Organisations that have limited understanding of donor behaviour are not likely to utilise the most appropriate methods of fundraising or highlight the relevant organisational values and attributes in their marketing campaigns. They may even waste time and resources targeting the wrong psychographics and demographics and as a result, fail to meet their fundraising targets. However, when organisations become mindful of donor 'giving' determinants they can target the relevant segment and employ appropriate messages. If, for example, marketers find that their donor base highly appreciates 'proven impact' in the field, then they can accentuate their organisational achievements and substantiate them with facts and figures. Such highly-focused campaigns would not only lead to better revenue-generating results but a better relationship with the donor and contribute to an improved societal perception of the positive difference philanthropic work is making.

The findings of this research may also help NPOs allocate the right budgets to fundraising campaigns and minimise excess expenditure. As a result, donors will be more satisfied knowing that more of their funds are utilised in financing charitable causes - an issue that is a key concern for many, although they are increasingly aware that some fundraising and administrative costs are unavoidable (Nickel and Eikenberry, 2009).

Literature Review

This section discusses relevant donor behaviour theories and models in terms of motivation and decision-making, before examining the extent to which these models can be applied to faith-based contexts, with *Waqf* and *Zakah* as typical examples of Islamic donations. The literature review objectively considers various technical, empirical and conceptual developments related to donor behaviour and presents key published findings. It further aims to explore known and unknown areas of donor behaviour and subsequently further knowledge in this field.

This research is based on up-to-date literature covering various disciplines related to donor behaviour. While researchers have previously attempted to synthesise frameworks, there is a lack of empirical examination of the comprehensiveness of donation determinants, as well as the significance of individual factors when it comes to donating in specific contexts. Also, these frameworks are not applicable in all scenarios and contexts as they do not account for all donation types or all stages of the donation process. However, the literature cited demonstrates how previous studies have contributed to this research, being a foundation upon which a more universal framework can be constructed.

Overview of Existing Frameworks

According to Wispe (1978), the topic of why and how people choose to help others has puzzled philosophers and economists since ancient times. To address this subject, several schools of thought have arisen from different disciplines including sociology, social and clinical psychology, economy and anthropology (Sargeant, 1999). The involvement of marketing is quite recent compared to other disciplines (Polonsky and Wood, 2001) rendering the literature available, from a marketing perspective, comparatively scarce (Nichols,

2004). Moreover, marketing researchers have focused on fundraising due to its pivotal role in soliciting funds for NPOs' sustenance and mission fulfilment (Pearson et al, 2009). The majority of philanthropic marketing journal articles focus on the viability of fundraising efforts rather than charitable behaviour, which has gained the least of attention (Handy, 2000). Only a few studies attempt to provide a broader view as to why and how donors donate (Pentecost and Andrews, 2010). The limited interest in understanding donor behaviour delayed the emergence of pertinent research until the 1980s (Varadarajan and Menon, 1988). Since then, the most notable early works are those carried out by Burnett and Wood (1988) and Guy and Patton (1989). The latter is more advanced as it is based on extensive literature in comparison to the former, and consequently gained greater attention (Webb et al, 2000). Nevertheless, compared to consumer behaviour literature related to the commercial sector, neither of these studies - nor later attempts - managed to capture all determinants or precisely map donor behaviour (Croson et al, 2010). In fact, the existing literature shows a consensus that more determinants, sub-determinants, or steps are yet to be identified (Yavas et al, 1993; Bennett and Gabriel, 2003). It is fair to conclude, therefore, that this is an implicit recognition of the limitations of these studies in terms of both the number and the breadth of steps and determinants in the donation process.

It has also been observed that there is a lack of focus on the extent to which determinants influence the ultimate decision of whether or not to donate. Furthermore, there is inadequate focus on the specific conditions that allow a determinant to have a higher or lower impact on donation decisions. This is substantiated by the fact that in many articles, researchers assume that some perceptions, influencers and attitudes are constant whilst attempting to establish correlations between these elements and their observations of donor behaviour (LaTour and Manrai, 1989; Frey and

Meier, 2004). In addition, some of the determinants captured previously may not be relevant to all situations as donations and situations vary (Hibbert and Horne, 1996) - an element that was not fully considered by Burnett and Wood (1988) or Guy and Patton (1989). These gaps in research stimulated further research by Bendapudi *et al* (1996) and Sargeant (1999). Together, these four studies constitute the most substantial work in the area of donor behaviour, motivation and decision-making. In order to develop a more comprehensive model that is applicable to the diversity of NPOs, an analysis of these significant contributions is necessary. Understanding and analysing these works will help identify gaps that need bridging and aspects of existing frameworks that need further upgrading.

The 'Helping Decision Process'

The two important early works of Burnett and Wood (1988) and Guy and Patton (1989) are quite similar. The latter echoed the former's views regarding the existing gaps in understanding donor behaviour and they both recognised that limited attempts had been made to understand why people donate, what the decision-making process involves or the factors that influence giving (Guy and Patton, 1989). The researchers recognised that NPOs should endeavour to understand donor behaviour rather than embrace conventional marketing strategies that were originally developed for commercial products and services. They also indicated that motivation is only transformed into behaviour after a decision-making process is followed, and that people offer their help only after they realise the existence of a need. This step, researchers believe, is a precursor to a donating behaviour. However some donors choose to give when no real need exists, such as for personal reasons like atoning for sins (West, 2004). In such contexts, the condition of 'existence of a need' may be irrelevant.

The Guy and Patton (1989) study was used as a basis for this research due to the similarity of objectives: they sought to ascertain what motivates people to give, what the 'helping' decision process is composed of, what the determinants are and how knowledge of donor behaviour can be utilised in marketing activities.

Wray (1994) argues that when people donate, they expect little or no commensurate reward in return for their help. On the contrary, economists believe that the key reason people help is selfishness, manifested in the expectation of some material reward or social recognition (Bekkers and Wiepking, 2006). In an implicit rejection of the economic reasoning for donor behaviour, Guy and Patton (1989) looked into the theoretical literature of social psychology and other behavioural disciplines, forming a framework that is fundamentally founded around a basic 'helping decision process' proposed by Penrod (1983).

Figure 1 illustrates Guy and Patton's 'Helping Decision Process,' which consists of five basic steps and two potential internal and external mitigating factors. In their study, the authors briefly explain the framework's five steps and justify their inclusion of the mitigating factors into the process. However, they offer minimal explanation of how or when a particular mitigating factor can influence the donating decision process. Rather, they consistently offer general statements such as: "There is strong evidence that factors external to the situation have a considerably stronger influence on helping behaviour than do the personal characteristics of the individual" (Guy and Patton, 1989: 10).

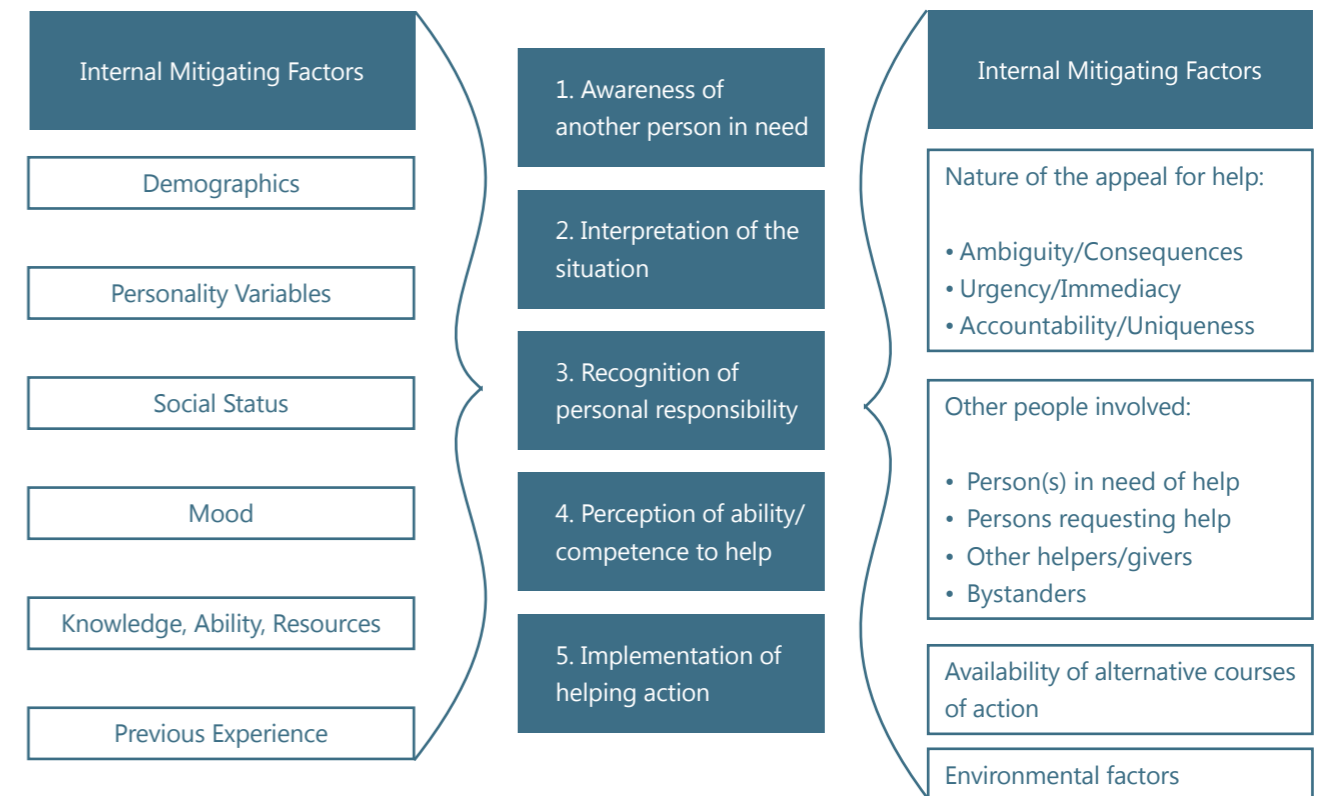


Figure 1: Helping Decision Process (Guy and Patton, 1989: 8).

The researchers propose a process in which 'helping' behaviour is influenced by a set of potential mitigating factors, without specifying their significance. Also, rather than making a decision exclusively based on a specific determinant such as 'empathy,' they believe that donors always follow a systematic process and may opt out at any step - which results in terminating the process without donating. They further suggest that none of the steps are indispensable but that no step is sufficient to generate a donation on its own. This conclusion is quite restrictive as it may apply in some situations, but not all. There is evidence that any of the first four steps can result in a donation, particularly when some steps are either unnecessary or irrelevant. For example, the smaller the donation, the

less 'interpretation of the situation' occurs (Lichtenstein *et al*, 2004). A few pennies in a penny box differs from a donation of a few thousand pounds (Proença and Pereir, 2007) and may not require going through the rest of the process. Also, donors tend to make a donation promptly when the situation is interpreted as urgent, compared to long-term planned giving such as wills, which require greater thought (Holmes and Kilbane, 1993). It can also be the case that the decision-maker has a low level of involvement if, for example, donating on behalf of others. These situations can greatly influence donors' decision-making processes and result in a donation without following all the proposed steps.

In addition, this model presents 'previous experience' as an 'internal mitigating factor' but not as a separate step that undermines its significance in the process. In addition, 'previous experience' is relevant only to previous donors, which questions its applicability to new donors who have no previous experience.

The value of their work, however, lies in the researchers' recommendations that NPO marketers should: make people aware of a need; offer satisfaction; engender a sense of responsibility; persuade donors of their ability; and finally eliminate donating barriers. Retrospectively, these recommendations provided invaluable insight for NPO marketers by applying consumer behaviour patterns to the philanthropic world. However, they were not sufficient for optimum marketing activities.

The 'Charity Giving Behaviour' Model

This model was proposed by Bendapudi *et al* (1996) and came as a response to growing interest in donor recruitment during the 1990s (Hopkins and Power, 2009). Acquiring donors required a deeper understanding of 'why' people choose to help (Nelson, 2006), followed by investigations into the 'how' aspect of the decision process (Sargeant *et al*, 2001). Prior to their research, Bendapudi *et al* (1996) noticed that donor behaviour studies had focused greatly on motivations and paid little attention to the 'giving' context which has led, in their view, to an insufficient understanding of the donating process. According to the researchers, decisions to help were mostly a response to societal learning and conditioning, while most of the literature addresses the motivation to help and information processing. This view is supported by Strahilevitz (1999) but challenged by Feeney (1997) who believes that religious motives can influence people more than societal ones.

In highlighting the paucity of donor behaviour literature, the researchers observed that less than 1.5

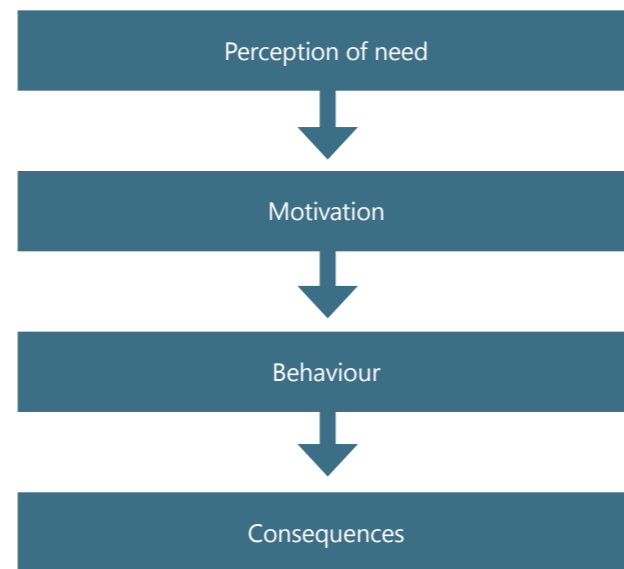


Figure 2: Charity Giving Behaviour (Bendapudi *et al*, 1996: 39).

percent of the articles published by the Association for Consumer Research and the American Marketing Association "deal with helping geared toward charities" (Bendapudi *et al*, 1996: 36). They also expressed their concerns about the limited interest in many essential 'helping' factors including social norms and donor perceptions. They intended to extend the previous model in three key dimensions: the explicit inclusion of various motivations that stimulate 'giving' decisions; determining the NPO role in the decision-making process; and examining jointly the helpers' motivations with the organisational context. Diverse disciplines including psychology, sociology and economics were incorporated by the researchers in assembling determinants to comprehend 'giving' behaviour. As a result, a conceptual framework and a process map of donors' decision-making were proposed. The model (Figure 2) is essentially a summarised version of a process that comprises four sequential steps (Bendapudi *et al*, 1996). It is based on a proposition that the generic steps of the suggested decision-making process are absolutely representative of all

kinds of help. This however remains questionable in the absence of supporting empirical evidence. In addition, as discussed in the previous model, different donations may follow different processes.

The framework also suggests that donor behaviour can lead to specific consequences in which donors are categorised as converted donors, repeat donors, lapsed donors and hard-core non-donors. The 'consequences' step subtly indicates a post-donating behaviour, but was not explicitly stated, nor presented as such - it only relates the action to one of the four donor types mentioned above. Also, in the absence of an empirical testing of the framework, it remains questionable whether the proposed decision routes accurately reflect the behaviour of donors and non-donors. Therefore, it can be concluded that the factors included in the framework do carry some value, but the process may not necessarily be a precise reflection of actual, or all, donor behaviour (Piliavin and Charng, 1990).

Overall, this research is enriching, particularly in identifying and classifying giving determinants. However, although the researchers managed to make a strong case for considering elements that carry importance regarding the 'how' aspect, they failed to similarly emphasise the 'why' aspect as the model describes motives without explaining what the motives imply. This sparked further research by Sargeant (1999), attempting to complement the 'why' and 'how' aspects of the model.

The 'Individual Donating Behaviour' Model

In a much broader research, Sargeant (1999) proposed a donor behaviour framework that combines six dimensions, as illustrated in Figure 3. His framework is the most recent integrated work as it involves more comprehensive and widely accepted helping determinants. It also includes his evaluation of past

donor behaviour studies. However, in later works, the researcher argues that the field of donor behaviour is yet to be fully explored, particularly the decision-making process. Despite the extensive base of literature employed, Sargeant believed that "further empirical

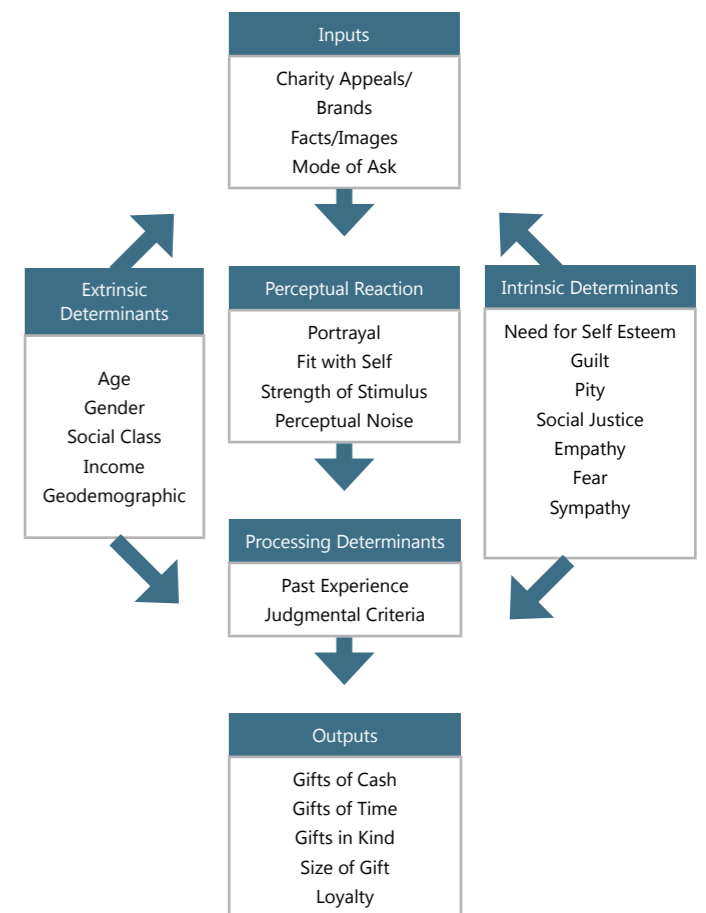


Figure 3: The Individual Donating Behaviour Model (Sargeant, 1999: 218).

work is essential" (Sargeant, 1999: 229) to validate the model he proposed and to define the relationship between the variables so that more determinants can be identified. For example, apart from 'guilt,' the proposed list of factors lack key religious and spiritual motives. Also, the process does not consider steps

such as donating in the absence of a need, such as in personally-motivated situations. Furthermore, his understanding of philanthropic giving as the result of a cognitive mechanism, which implies extensive information-processing, is a debatable rationale (Pracejus *et al*, 2003). As suggested previously by Bendapudi *et al* (1996), helping can occur due to social learning and conditioning rather than be the outcome of a cognitive process. It can also be a religious requirement.

Similar to Guy and Patton (1989), the post-donating evaluation has only been considered by the researcher as a 'past experience' determinant, and therefore included in the 'processing determinants' stage. Again, it may be relevant to previous donors but may not concern new donors. Finally, his model ends with the 'output' step which involves various helping forms but does not expand to cover donors' ultimate evaluation of their experience.

Modelling Donor Behaviour

Questioning the applicability of previous frameworks seems legitimate and necessary due to (1) the increasing levels of donor maturity and cultural diversity which influence motives for giving, i.e. the 'why' aspect (Nichols, 2004), and (2) the advancements in marketing and technology employed by NPOs in recent years that offer a wider range of ways to help, such as digital platforms, i.e. the 'how' aspect (Sargeant and Jay, 2010).

The literature has revealed the need for a comprehensive model that can encompass all possible processes, account for all potential types of giving and consider a wide range of determinants in a variety of contexts. Given the introduction of marketing concepts into the charitable sector more than forty

years ago (Kotler and Levy, 1969 and Shapiro, 1973) it seems reasonable to propose that NPO marketers should consider progressing from merely utilising contemporary marketing techniques to shaping their marketing strategies using a sound understanding of their donors. Should this be utilised efficiently, optimum results could be achieved. Thus, the need arises to identify wider determinants of behaviour and their significance in contexts that are relevant to NPOs.

The reasons for identifying more determinants, rather than relying on the above prescribed models, is that there is substantial evidence that the decision-making processes of existing models may be compromised by elements such as donation type or 'helping' context (Nichols, 2004). In other words, formulating a marketing strategy on the basis of one of the aforementioned models may not generate the desired returns due to their irrelevance to the targeted donors.

In addition, consumer behaviourists confirm that consumers evaluate their buying behaviour after each purchase (Mittal *et al*, 2008). Similar to the commercial sector, where evaluation is necessary for determining customer satisfaction, better accountability and fund management are increasingly required in the charity sector. Therefore, evaluating NPOs' stewardship of donations and the impact on beneficiaries is legitimate and necessary. Hence, a potentially integral step of the process appears to be missing.

Specific Faith-Based Donations

Religious NPOs have always played a key role in the philanthropic sector (Bekkers and Wiepking, 2006). Many of the world's largest charities are faith-based including Christian, Buddhist, Jewish and Islamic charities (Saunders, 2013) and all major world religions promote philanthropic benevolence and charitable support (Bremner, 1994). Faith-based NPOs market bespoke products, and according to Sadeq (2002), Islamic donations in particular are of three types:

- + Compulsory donations (i.e. obligatory or 'must-do' such as *Zakah*)
- + Emphasised donations (i.e. highly recommended or 'should-do' such as *Waqf*)
- + Optional donations (i.e. recommended or 'better-do' such as Sadaqah (voluntary donations))

Financially capable Muslims are religiously obligated to donate compulsory charity, and encouraged to do more.

Zakah Charity

Zakah is a compulsory proportional almsgiving that must be paid annually by financially capable Muslims to those in need, either directly or through NPOs (Chowdhury, 2012). For any amount of wealth above a particular threshold, Muslims are required to give an annual *Zakah* of 2.5 percent to charity. Being mandatory, *Zakah* makes up the largest proportion of Islamic NPOs' total funds.

Despite the value of the previous studies, the discussed models do not accommodate this type of donation as they all commence with the initial step of 'responding to a need'. In addition, the wealthier the Muslim, the

higher the *Zakah* will be and the larger the donation, the higher the accountability (Bekkers and Wiepking, 2006). Consequently, previous models do not accommodate an evaluation step for such large donations.

Waqf Charity

Waqf represents the Islamic concept of endowment (Kahf, 1998) and is a form of charity practiced and encouraged by the Prophet Muhammad (peace be upon him¹). Islamic rulings stipulate that NPOs should retain the *Waqf* capital donation rather than spending it immediately on the needy (Stillman, 1970). The capital must be invested and its annual returns can be used to finance charitable projects (Marcus, 1989) and cover NPOs' administrative costs (Schoenblum, 1999). The *Waqf* capital remains as a trust and cannot be spent or sold by NPOs or refunded back to donors, (according to the majority of Islamic jurists). *Waqf* promises recurrent spiritual reward to donors as their good charitable deed is perpetual, and gives ongoing support to the needy (Kahf, 2004). It therefore provides concrete foundations for NPOs to establish a regular in-house income that can compensate for periods when funds are low (Rosenthal, 1980). However, *Waqf* requires efficient systems for fund management as well as long-term donor relationships (Cizacka, 1998).

Both *Zakah* and *Waqf* are not donated primarily as a response to an external need: the former is an annual obligation and the latter requires investment before returns are generated and spent on a cause. The previous decision-making processes discussed do not accommodate these internal triggers as a first step. Furthermore, *Waqf* donors have a long-term relationship with NPOs that potentially allows them to influence how their capitals are invested and how returns are spent. The relationship does not end at the donation-giving step, as proposed particularly by Guy and Patton (1989) and Sargeant (1999).

¹. The Islamic convention is to send peace and blessing upon the Prophet Muhammad, whenever he is mentioned.

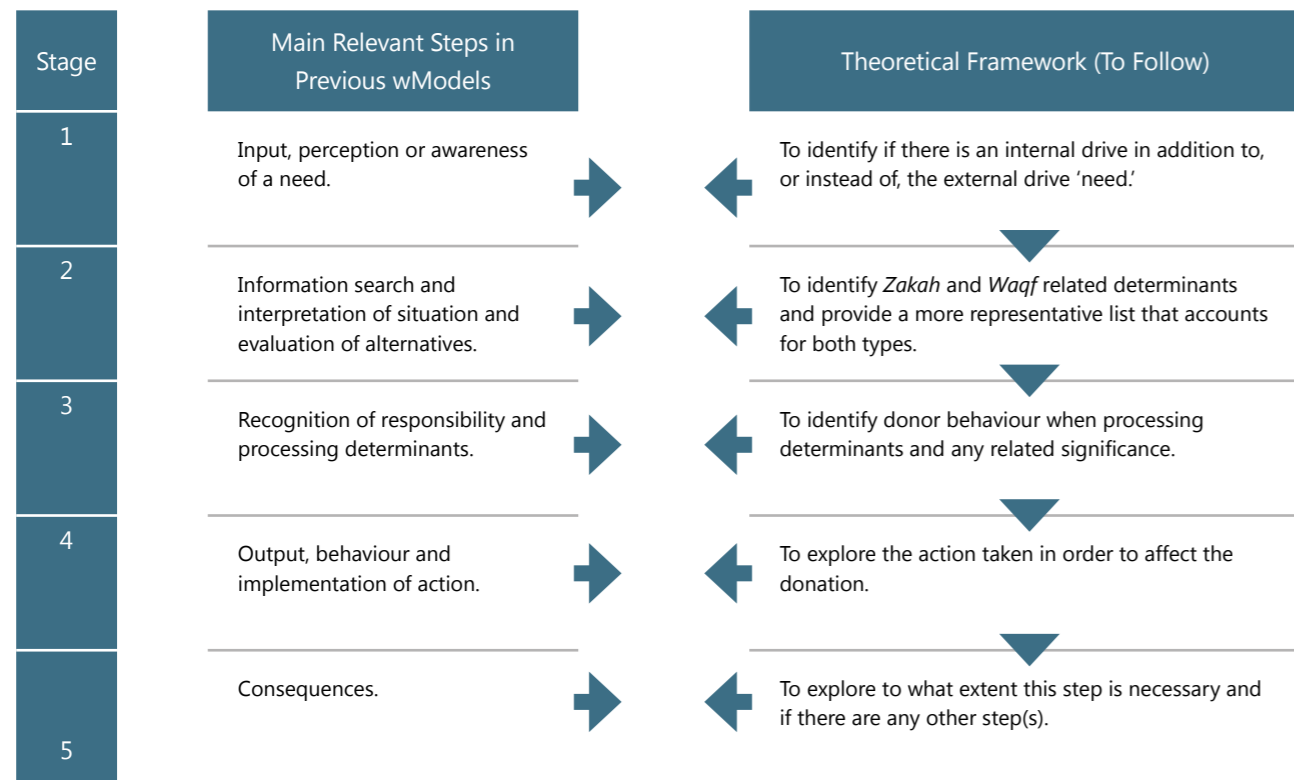


Figure 4: Theoretical Framework.

Research Methodology

Research Framework

The previously proposed donor behaviour models essentially comprise five steps: (1) input or perception of a need, (2) motivation using determinants or mitigating factors, (3) processing, (4) output or behaviour, and (5) consequences. The essential steps, together with the proposed theoretical framework, are illustrated in Figure 4.

Research Philosophy

There are two philosophical approaches, positivism and interpretivism (Silverman, 1998). The former is mostly used in quantitative research to describe and explain information while the latter is more suitable for qualitative research (Maanen, 1979) by which the sense of the social action can be monitored and interpreted (Bryman and Bell, 2011). The interpretivist paradigm uses observation and conversation to explore human behaviours (Burrell and Morgan, 1979), in which the understanding and translation of actions are the key elements (Aikenhead, 1997). In-depth knowledge can be gained from value-laden socially constructed interpretations (Carson *et al*, 2001). Therefore, a more personal and flexible research instrument, such as interviews, is required (Saunders *et al*, 2000) to allow interviewers to be more receptive to meanings in human interaction and make sense of what they receive (Lincoln and Guba, 1985). Prior to the research, it is crucial for the researcher to be prepared with some knowledge about the topic but the researcher should also assume that this knowledge is insufficient and that the research is necessary to help construct a more comprehensive view (Carson *et al*, 2001). This helps the researcher to remain open to ideas and suggestions proposed by the interviewees (Hudson and Ozanne,

1988). The ultimate goal is to understand and interpret the interviewees' behaviour including motives, meanings and reasons (Cohen *et al*, 2007).

The objectives of this research and the nature of the topic require deep conversations for further exploration into donors' minds. This requires a focused interpretation of participants' perceptions and attitudes, which is congruent with the interpretive concept. Hence 'interpretivism' is considered to be more appropriate for this research.

Research Perspective

The relationship between research and theory is either deductive or inductive. Deductive research is normally used in conjunction with positivism and quantitative research, whereas the inductive method is associated with interpretivism and qualitative research (Ghauri and Gronhaug, 2005). In inductive reasoning, researchers begin with specific measures and observations, detect patterns and formulate tentative hypotheses that can be further explored and eventually result in general conclusions (Cameron and Price, 2009). Inductive reasoning is an open-ended and exploratory process which is compatible with the objectives of this research and thus it will be adopted.

Research Approach

Research methodologies can be quantitative or qualitative (Saunders *et al*, 2007). The former requires numerical data generated from a large sample of respondents using an instrument such as questionnaires (McGivern, 2009). The latter is best used in the analysis of non-numerical data, which requires in-depth exploration and interpretation in a social context (Denzin and Lincoln, 2000). Despite the accuracy and potential to generalise from quantitative

research (Bryman and Bell, 2011), sufficient depth is unlikely given the reliability on specificity and the limited number of questions (Sekaran, 2003). Moreover, access to NPOs' databases is restricted. It was neither practical nor permissible to approach the relevant departments within many NPOs due to confidentiality issues. Quantitative research has therefore been excluded in this study, although future reconfirmation and quantification of findings can be conducted. The qualitative methodology is more consistent with the nature of this exploratory research, type of topic and research circumstances.

Research Design and Data Collection

Due to the crucial role that research design plays in the integration of the study, and as means of minimising errors (Malhotra and Birks, 2006), great attention has been paid to the data collection process which aims to answer the research questions and achieve its objectives.

As concluded above, qualitative research is the most appropriate methodology for getting the best possible outcome and understanding donor behaviour, which means there are two main instruments to utilise: focus groups and in-depth interviews (Denzin and Lincoln, 2000).

Focus groups (or group discussions) have potential benefits in enriching the researcher's knowledge (Saunders et al, 2009). However, they were evaluated and rejected as a data collection tool for this research due to the subject matter, i.e. charitable and religious behaviour, as this may evoke the occurrence of what is known as the 'social obliquity phenomenon.' This phenomenon is manifested by respondents' inability to express their views, perceptions or attitudes openly and

unrestrictedly, in the presence of others (Bryman and Bell, 2011). For example, Islamic teachings emphasise that donations should not be publicised to seek worldly recognition, and in some circumstances discussing them can even be socially shameful. Participants may not wish to describe their true donating motives in a group setting if they are related to the expiation of religious sinfulness or could lead to loss of credibility and respect. Therefore, the option of using focus groups was omitted and in-depth interviews were identified as the most appropriate data collection instrument for this research.

Interviews

Interviews were chosen to collect primary data to achieve the objectives of this research. This technique is useful when the researcher seeks detailed information about individuals' thoughts, attitudes and behaviours, or for in-depth exploration that seeks to provide context to other data and offer a more integrated picture of the study (Boyce and Neale, 2006). In-depth interviews help gain insight into the reasons behind people's perceptions, behaviours or interests (Saunders et al, 2009). They differ from other instruments as they allow participants to provide detailed responses in ample time and comfortable environments (Malhotra and Birks, 2006). The relaxed atmosphere and convenient locations were chosen by participants themselves and included physical face-to-face interviews at their homes or in quiet, private meeting rooms. Due to the location of some interviewees who resided abroad, online video calls also took place at convenient time slots.

Participants

The sample of stakeholders selected consisted of sixteen participants from four main categories, with four participants representing each category. They can be classified as shown in Table 1. The reason for this diversification was to capture as many perspectives as possible and to investigate why and how donors make

'giving' decisions. Interviewing *Waqf* donors (WD) is crucial for understanding their motivation and decision to donate specifically to *Waqf*. Similarly, *Zakah* donors (ZD) can provide insights into why they choose to donate *Zakah* but not to *Waqf*. As potential donors to *Zakah* and *Waqf*, NPOs' other donors (NPOD) can help gain a better insight into why people donate in general. Staff participants from NPOs are also essential as they provide a different perspective that will help complete the picture. Together, this knowledge can help NPO marketers understand existing and potential donors better and utilise the most appropriate communication tools and messages to recruit and retain donors.

Type	Category	Abbreviation	Participants
Donors	<i>Waqf</i> Donors	WD	4
	<i>Zakah</i> Donors	ZD	4
	NPO Donors	NPOD	4
Staff	NPO Staff	Staff	4
Total			16

Table 1: Types and Categories of Participants.

The interviews were conducted over three weeks, starting at the end of July 2014. The duration of the interviews were between one and two hours. Participants were selected based on donation types, size of donation and frequency, whereas active NPOD were approached by the recommendation of community leaders.

Discussion Guide

The discussion guide was prepared in light of the research questions and objectives as well as the theoretical framework proposed at the end of the

literature review. The discussion guide also benefitted from similar endeavours by Lovelock and Weinberg (1984), Zaichkowsky (1985) and Sargeant et al (2004). Given the diversity of stakeholders participating in the interviews, with different capacities, questions were tailored according to each category.

Data Collection Procedures

Each selected respondent was approached and invited to participate in the research interview. The purpose and length of the interview, as well as the reason for their selection, were explained. Upon agreement, an arrangement of the time, venue and means of communication was made. Permissions to audio record the interviews were also sought and approved by participants.

Upon starting the interviews, it was useful to employ icebreaking techniques for the purpose of building rapport with respondents, as recommended by Hankinson (2002). During the interviews, notes were taken in addition to the audio recording and each participant was actively listened to and engaged with. The aim of the interviews was to extend beyond superficial answers to obtain richer underlying information, in a non-judgmental and non-biased way.

As Sekaran (2003) recommends, the unstructured interview questions were open-ended to give participants the opportunity to express themselves, confide their feelings and declare their attitudes unrestrictedly. Participants were given ample time to present their views with no restrictions to the discussions. On some sensitive religious issues, where it seemed inappropriate to ask participants directly, polite routes were followed in order to get their honest perceptions and responses without embarrassment. Guided by the recommendations of Malhotra and Birks (2006), factual questions were asked before attempting to ask opinion questions, probing for more in-depth responses where appropriate.

Secondary Data

In addition to the relevant books and articles from various established academic journals, secondary data was collected from the relevant NPOs' databases. Despite their limitations in terms of donor demographics, these databases contain invaluable information about donation type, size and frequency. In-house libraries were also accessed as they contain soft and hard copies of internal organisational studies. Also, other internal governance, marketing and NPO related booklets, reports and newsletters were utilised for the purpose of generating coherent findings.

The Analysis Process

Following the interviews, audio recordings were transcribed and some of the information provided by the interviewees (e.g. donation size) was verified and cross-checked with relevant secondary sources. According to the themes pre-identified in the discussion guide, the responses were analysed and patterns and regularities in the responses were noticed and identified and are presented in the following section.

Research Limitations

According to Sekaran and Bougie (2010), research limitation is a threat that can affect the findings of a study. Limitations can be mainly due to validity, reliability or generalisability.

Validity

Validity is defined as how well a method measures what it intends to measure, and it can either be internal or external (Watt, 2007). The former refers to the measurement and test while the latter refers

to the possibility of generalising the outcome to the target population (Richardson, 2000). In comparison, qualitative research is considered to be of relatively lower validity than its counterpart, quantitative research (Psued8, 2011). However, this study planned to minimise limitations internally by aiming to be non-biased and non-judgmental throughout the interviews, as well as interpreting the data objectively and impartially. To avoid any influence of personal subjective opinion, the interviews gave respondents the full freedom to express their views in unstructured environments. Furthermore, the interviewer's knowledge, being well prepared for the topic and its surrounding issues, helped to explore wider issues with respondents in whichever direction the interview led.

External validity is concerned about time, place and participants' samples (Watt, 2007). To minimise threats to the external validity, interviewees were selected for different donation types, sizes and frequencies, while the times selected did not fall on religious occasions that could have biased the interviews in any way.

Reliability

Reliability refers to the degree to which an assessment tool can produce a consistent and stable outcome (Burns and Burns, 2008). This is manifested in obtaining the same outcome if the researcher repeats the interviews over and over again. To enhance the reliability of the research, sample interviews were conducted to test the questions and the settings. In addition, the same essential discussion guide for each participant category was used throughout.

Generalisability

According to Brown (2013), generalisability refers to the ability to extrapolate research findings to wider populations or to draw far-reaching conclusions. Although it is the nature of qualitative research to have low generalisability features, the range of participants

selected were from different countries, backgrounds and cultures as well as associated with various donation types, sizes and frequencies in order to maximise the chances of wider usage for the findings. However, future similar studies can be conducted to allow findings to be confirmed further via a cross-referencing approach.

Ethical Considerations

Research Ethics

Cameron and Price (2009) consider ethics to include humans involved in the research rather than merely focusing on the research itself. This research is guided by the ethical procedures endorsed for postgraduate level research and has followed due process to ensure the consent of interviewees, with clear information communicated to them. It has also adhered to the processes set out in the discussion guide and risk assessment.

The research has also been conducted with the permission and collaboration of researched NPOs, in compliance with the standards and codes of conduct set for higher research at a postgraduate level. Data was kept anonymous throughout the research and it was ensured that the research does not cause harm to any party involved, or involve any falsifications of data. The interviewees were treated objectively and their feedback was included in a professional manner. Throughout the research, all measures were taken to ensure that the data collected is strictly confidential and will only be used for the purpose of this study. After the interviews, the recordings were transcribed and the participants' views anonymised and coded so that they are referred to in groups and subgroups, as in Table 1, ensuring participants would not be identifiable in any way.

Research Findings

This research aims to explore donor behaviour, including motivations to donate (e.g. to *Zakah* and *Waqf*) and the process followed when making donations. The sample of stakeholders are categorised in Table 2 and Figure 5. Each category of stakeholders focuses on different characteristics and belongs to either donors or staff.

Type	Category	Code
Donors	WD	WD1, WD2, WD3, WD4
	ZD	ZD1, ZD2, ZD3, ZD4
	NPOD	NPOD1, NPOD2, ..., NPOD4
Staff	Staff	Staff1, Staff2, ..., Staff4

Table 2: Coding of Participants.

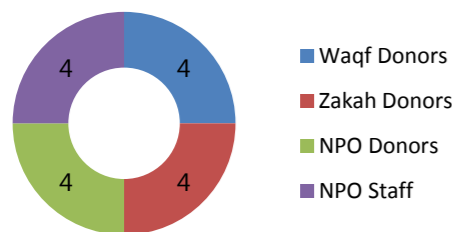


Figure 5: Participants' Distribution.

Staff Participants

The main characteristics considered in staff participants were their degree of involvement with *Waqf* in management, administrative and fundraising positions. Managers and directors know the history of their NPOs and evolution of *Waqf*, as well as the strategic decisions made in their organisations. Administrators possess the knowledge of dealing with various stakeholders and the day-to-day tasks related to fund investment and donor reporting. Fundraisers are key participants due to their involvement in planning and implementing

fundraising as well as their extensive interaction with potential and existing donors through various means of communications. Given the number of staff approached, these were the main criteria considered.

Donor Participants

In the case of WDs and ZDs, the following characteristics were considered:

- + Donation type (*Zakah*, *Waqf*, etc.)
- + Donation size (amount per donation)
- + Donation frequency (how often)

The reason for considering these characteristics was to understand the motives behind donating to specific types, where donation size may indicate financial ability and frequency may reflect loyalty. For confidentiality reasons, databases were accessed restrictedly and publishing information was not permitted. It is noteworthy that whilst some participants were female, gender disaggregation was not carried out in this research, as previous research confirms that males donate on behalf of females and vice versa. Similar results were stated by Wheeler (2009) that due to cultural, religious and logistical reasons, male members tend to make the donation more frequently on behalf of their partners, despite evidence of a greater tendency for females in initiating donations.

Waqf Donors

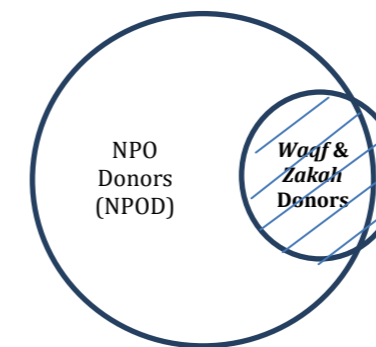


Figure 6: NPO, Waqf & Zakah Donors (NPOs' databases).

Waqf, *Zakah* and NPOs' databases showed that about 78 percent of *Waqf* and *Zakah* donors are NPO donors, as presented in Figure 6. Four participants for each category were interviewed to obtain views towards *Zakah* and *Waqf* donations.

Key Patterns

From the interviews, according to participants' demographics and their responses, it has been found that *Waqf* donors are mainly over 46 years of age when they first donate to *Waqf*. They are professionals, highly educated, with an annual income of over £50,000. *Zakah* donors are of different classes and ages but the higher the income, the larger the *Zakah*. The frequency of various donations seems to be related to affordability but also, most importantly, satisfaction with fund management. This has been very critical and clear in the case of *Waqf* donations where some WDs confirmed their willingness to donate more to *Waqf* if a few issues, related to fund management and donor care, were fixed. Some NPODs are not aware of what *Waqf* means while some ZDs know a little about *Waqf* schemes but stated that they cannot afford to donate due to the price set by NPOs. Many donors prefer to support their fellow people either locally or abroad.

Donor Motivation

The findings show that donors behave similarly with clear patterns in both motivations and decision-making. There are various motives that drive donors. However, the most emphasised motives are categorised and presented below in order of emphasis:

1. Religious obligations and reward-seeking.
2. Solidarity, empathy and sympathy.
3. *Waqf* concept and characteristics.
4. Social obligations.

Motive (1): Religious Obligations and Reward-Seeking

All donors explicitly expressed that they primarily donate due to "religious obligations" (particularly *Zakah*) and "seeking reward" (in all other donations including *Waqf*). Below are some examples of the comments made:

Religious Obligation and Reward Seeking	
WD1:	" <i>Waqf</i> is a good form of generating endless good deeds."
WD3:	" <i>Zakah</i> is an obligation; a saviour from hell and <i>Waqf</i> is actually a further precaution and a safeguarding charity."
ZD4:	"Who would want to be amongst the losers in the hereafter... who wouldn't want to be amongst those residing in the highest ranks of paradise?"
NPOD3:	"I donate primarily because it's a religious obligation" and "I regard other emphasised and voluntary donations as a way of maximising good deeds."

Clearly, the main instigating motive confirmed by most interviewees is religious. After fulfilling their obligations, several donors stated that unless there is an urgent need (e.g. crisis), they would consider donating to *Waqf* due to its highly emphasised status in religious teachings. One WD participant stated that *“Waqf requires patience and won’t generate profits unless invested. Disasters don’t wait and we can’t leave people suffering.”*

Donors, including those who had never donated to *Waqf* (ZDs and NPODs), have demonstrated their efforts to get religious rewards by doing *“good deeds”* such as donating to help others altruistically. Driven by religious teachings, one NPOD highlighted that *“each good deed counts”* because, according to another ZD, *“charities either minimise sins or maximise deeds.”* According to many donors, they maximise their giving in the holy month of Ramadan. Two WDs stated that whenever convenient, they make *Zakah* and *Waqf* donations during Ramadan. Also, an interesting comment was made by a ZD: *“When I commit a sin I make a donation, when I fall ill I make a donation, when I want happiness in my life I make a donation... donations are the remedy to most of my setbacks in life.”* Upon discussing *Waqf*, she commented: *“If I was financially capable, I would have contributed to the scheme,”* believing that *Waqf* has the potential to bestow frequent blessings that would cure her recurrent and diverse failures and generate nonstop reward - something she believes she needs *“plenty of.”* She suggested, however, that *Waqf* prices need to be *“reconsidered”* to accommodate for low-income donors or *“a flexible-installment scheme”* should be introduced.

Motive (2): Solidarity, Empathy and Sympathy

The second strongest motive included ‘solidarity,’ ‘empathy’ and ‘sympathy.’ These were frequently expressed by many donors from all categories. They feel sympathy towards those suffering and donate

in any crisis but particularly when it affects people with whom they share faith or ethnicity. According to them, it is necessary to show belonging, affiliation and support.

Solidarity, Empathy and Sympathy	
WD4:	<i>“I show my solidarity and brotherhood through my donation to my people.”</i>
ZD2:	<i>“You can’t just keep watching others suffer, can you? You’ve got to do something to show your solidarity and support, especially in your neighbourhood or community.”</i>
NPOD2:	<i>“I feel empathy with those in need and I often donate promptly with whatever I have... particularly when a disaster hits my country back home.”</i>
Staff3:	<i>“In fundraising events, many are inclined to support their communities.”</i>

The views expressed were largely shared by all donors. A consistent pattern of solidarity was shown by non-native participants towards people they identify with and those living in their countries of origin. One NPOD said: *“The priority is for the poor back home”* and justified that by adding, *“this is their right upon us.”* To support this statement, he referenced religious scripture. A WD confirmed that before donating a substantial amount, she checks if a relative in her community here, or country of origin, is in need. She, together with some other donors, expressed their wish to see many NPOs offer such a niche service as to implement humanitarian projects for needy people in their home countries due to the dire and continuous need there. It is worth mentioning that all those who emphasised their solidarity with *“back home”* are over 56 years of age and therefore more likely to have migrated, but continue to be attached to communities in their country of origin.

Motive (3): Waqf Concept and Characteristics

As indicated in earlier literature cited, *Waqf* is a highly recommended donation in Islam, but not a compulsory one for individuals. Its perpetual nature is the essence of its distinction amongst all other forms of charity. Participants exhibited their appreciation of the concept of exceptional ongoing reward and recurring benefit. However, its system is left for NPOs to set, including management and prices.

Waqf Concept and Characteristics	
WD1:	<i>“Looking at its ongoing nature and cumulative benefits, one can only be tempted to contribute to this prosperous and reviving programme... Once you taste it you’ll fall in love with it... it is a good way of leaving something working behind after departing this life... [NPOs] need to sort it out though.”</i>
WD2:	<i>“Waqf was behind old civilisations, so important... but if not managed well, won’t be attractive.”</i>
WD4:	<i>“Waqf is a revolutionary concept and it will take over all traditional charities.”</i>
Staff1:	<i>“Waqf is a unique form of help... you pay once and they [beneficiaries] receive help every year – amazing, isn’t it?”</i>

Participant WD1 (quoted), excitedly described that the concept of continuous spiritual reward and endless annual benefit to the poor and needy is *“quite impressive”* and *“astonishing.”* Similar views were shared by other donors and staff. A staff participant went on to say that the *“future is for Waqf.”* He emphasised that in addition to its uniqueness in generating recurring spiritual reward (for donors) and revenue (for beneficiaries) on an annual basis, it also provides sustainable annual administrative costs for the organisation. A similar belief was shared by another staff participant who argued that NPOs should *“utilise all their abilities to raise Waqf donations.”* Some NPODs have very little information on the concept of *Waqf* so

have never thought of donating, while some ZDs know a little about the scheme but could not afford to donate given the high prices. Many claimed that they had never received any form of communication explaining what *Waqf* is, or inviting them to donate, indicating NPOs’ ineffective marketing communications.

According to most WDs, they are attracted by *Waqf’s* *“continuity,” “longevity,” “recurrence”* and *“ongoing benefits.”* Many descriptions were given including *“strategic,” “long-term”* and *“bears fruit every year.”* From a member of staff’s perspective, *“The Waqf concept is attractive enough to the point that it can substitute for any other donation except Zakah, being mandatory.”* They also emphasised *Waqf’s* ability and importance in sustaining NPOs’ philanthropic activities.

It was observed that participants who were excited about *Waqf’s* characteristics, particularly its strategic impact, are highly educated professionals. It was also noticed that the more religiously educated donors were, the higher the likelihood they would contribute to *Waqf*. This is based on the observation and interpretation of implicit information that participants alluded to. The level of income is also an influencing factor given the relatively high prices of *Waqf*, as all *Waqf* donors were in a high income bracket (higher salaries than the UK national average).

Motive (4): Social Obligations

The findings show that social obligations have a great influence on motivating individuals to donate as well as encouraging others to do the same. According to a number of donors, it is used as a way of encouraging philanthropic altruism, although others feared ostentatiousness.

Social Obligations	
WD4	"Social obligation is an actual phenomenon."
ZD3	"It is really positive to encourage members of the family to donate for the same cause... It's a way of sound upbringing."
NPOD1	"Being driven by the community to donate in a crisis may not reflect individuals' true feelings but rather strengthens the bond between community members, so long as it does not make people show off."
NPOD4	"It is a duty of the household to ensure sons and daughters do take part and alleviate the suffering of those in pain."

According to a NPOD, a live TV fundraising campaign can spark the family head to dictate a payment from each capable family member. Another ZD said: "if a community fundraiser in the mosque appeals for support in a disastrous situation, you get driven socially by your friends and relatives and donate as much as you can." He further said: "Sometimes, it's quite hard to donate, but your community would disrespect you if you show reluctance."

Donor Decision-Making Process

According to the interviews, 'giving' processes vary slightly as per the motivation(s) at the time of giving. While some donors respond to external triggers such as appeals, *Zakah* donors may not wait until a need arises. Being internally triggered, they proactively search for a cause or a beneficiary (through NPO or direct giving). The processes followed by donors are summarised broadly in the following stages:

Inputs: Responding to Triggers

The first step in the process can be one of two scenarios:

Input (1): Intrinsic triggers by religious obligations:	
ZD1:	"When <i>Zakah</i> is due, we [as a family] search for worthy recipients."
NPOD3:	"Our [group of families' and friends'] <i>Zakah</i> is collected in Ramadan and sent directly to the needy and destitute back home [country of origin]."
Input (2): Extrinsic triggers by appeals for help:	
ZD1:	"Appeals for help remind me of those in need and my duty towards them."
NPOD4:	"I attempt to respond to most genuine appeals or disasters."

All views broadly fall into these two scenarios; donors are either driven by intrinsic motives regardless of a need, or an 'existing need' inspires them to donate.

Searching and Evaluating Using Determinants

This is a crucial step in which significant determinants govern the response to triggers, including internal and external searches and the evaluation process. The internal search refers to their feelings, beliefs, etc. while the external refers to NPOs or beneficiary recipients. Participants unanimously confirmed that they promptly donate with minimum search and evaluation when donations are small, while extensive planning is involved when donations are relatively large. However, in evaluating alternatives, words like "trust," "charity capability," "worthy cause," and "type of beneficiaries" emerged quite frequently. With large amounts of *Zakah* for example, donors evaluate if NPOs can utilise the fund well and prove the impact through reports, preferring that funds go to their communities, locally or abroad. Also, donors tend to pay their *Zakah* in Ramadan, being the most sacred month, in the hope of duplicate rewards. In the case of *Waqf*, donors compare different NPOs' *Waqf* schemes in terms of "prices," "investment policy," "project implementation" and "donor care." These came up as significant determinants which have a high influence on donors' decisions.

Outputs: Making a Donation

Most donors attributed their payment method to convenience. One ZD said, "the payment I make depends on donation size, event venue, payment method available, etc." Others stated similar views giving examples such as "if you are in the community centre and asked for help, you'd pay cash." Another stated: "if you want to be anonymous, donate online or send a cheque." Time and location are important variables as Ramadan, for example, enhances philanthropic behaviour and mosques or community centres increase the chances of giving.

Post-Donating Evaluation

Most participants emphasised the importance of evaluation, particularly after making large donations. *Waqf*, in particular, was highlighted by donors and corroborated by numerous other supporting statements.

WD3:	"The way [in which] large... donations are managed is vital for me to decide who I should deal with... I always keep my eyes open on my <i>Waqf</i> capital."
ZD3:	"Before donating a substantial amount of money, I evaluate the charity's fund management ability and reliability... like <i>Waqf</i> ."
NPOD4:	"... only those [charities] who keep me informed, transparent and honest deserve my trust and future donations."

Research Findings

The findings have highlighted a number of issues that can enrich the NPOs' understanding of donor behaviour, including motivation and the decision-making process.

Motivations

The motivations confided by participants can partly fit into one or more of the prominent models proposed by Guy and Patton (1989), Bendapudi *et al* (1996) and Sargeant (1999). Those who 'seek reward' or consider donating as a means of atoning for sins or 'guilt,' are motivated by 'intrinsic determinants,' as suggested by Sargeant (1999). His determinants also accommodate those who feel 'empathy' and show 'sympathy' which some participants highlighted and referred to as 'solidarity.' However, Sargeant does not regard internal feelings as 'inputs.' In his model, all intrinsic determinants occur after an external input (i.e. need) has been introduced, whereas religious obligations are proactive triggers and require no 'need' to result in a donation. They are self-driven motives that are responded to regardless of any other input.

Bendapudi *et al* (1996) also include no element of 'spiritual reward' despite their belief that 'gaining reward' or 'avoiding punishment' are motives. In their view, reward is either material or social recognition, whereas avoiding punishment is avoiding tax or social penalty (Bendapudi *et al*, 1996). Their view may, however, apply to the 'social obligation' triggers that have emerged in this research, since donors can donate for social reasons, i.e. partly to gain, or retain, respect or to avoid disrespect.

The *Waqf* concept as a motive can be considered as an 'external mitigating factor' in Guy and Patton's (1989) model, particularly under 'uniqueness' (Figure 1). Sargeant's 'inputs' list also includes this aspect under 'Brands' or 'Facts.'

The Significance of Determinants

As discussed in the cited literature, earlier research did not qualify or quantify the significance of any proposed determinants. Guy and Patton (1989), Bendapudi *et al* (1996) and Sargeant (1999) presented all determinants with equal or unspecified significance. However, the new determinants qualified in this research are significant and may outweigh other proposed determinants, and hence can result in giving. In particular, the significance of 'religious obligation' is quite evident and is sufficient in itself to result in donations, regardless of the existence of other motivations. Furthermore, in combination with the significance of time, such as Ramadan, *Zakah* donations intensify. Most Islamic NPOs' databases show that donations primarily come from *Zakah* and are received mostly during the month of Ramadan, regardless of any need.

Waqf's attractive concept does motivate donors, given its long-term reward and benefits. This combines two determinants: internal and external. The former is the desire for long-term spiritual reward, while the latter is the desire to establish an annual income for the needy and can work well if the issues mentioned by participants, such as prices, better fund management and donor care are properly addressed and articulated. Donors evaluate their experience with NPOs after giving, as proposed by Guy and Patton (1989), Bendapudi *et al* (1996) and Sargeant (1999) but also beforehand when exploring new causes or charities; they particularly evaluate their intended giving when donations are large or require long-term relationships. This determinant has a significant impact, according to participants, on whether to 'donate' or 'not donate' in the future. For example, some WDs expressed their dissatisfaction with frequent *Waqf* annual report delays. They also commented on inefficient investment policy. Specifically, there was a general discontent that donations cannot keep up with annual inflation rates resulting in loss of capital value.

Social obligations are also significant determinants, according to participants. If an amount is dictated by the family head or community leader, the donation will be made regardless of any other determinant or process step. According to one community fundraiser, around 24 percent of donations are received as collective community or family funds.

WDs have also expressed their concerns that they are not involved in the project implementation process whereas they would like to take part in the annual decision-making of fund allocation to beneficiary countries of their choice. For them, this is a significant determinant for making donations. According to one staff participant, NPOs recruit new donors annually but fail to retain them due to their dissatisfaction with fund allocation decisions. Findings show that donors give priority to people living in their countries of origin. Guy and Patton (1989) include 'person(s) in need of help' on the external mitigating factors list, without specifying any significance. However, findings show that when those 'persons in need' share aspects of identity, chances of help increase. This is quite a significant determinant, particularly when donors come from ethnic minorities. Sunak and Rajeswaran (2014) stated that around 8 million, (i.e. 14 percent) of the UK population belongs to ethnic minorities, and the number is expected to double by 2050. Donor participants in this research originate from various Asian and African countries including India and Pakistan which represent the top two ethnic groups in the UK (Figure 7). Moreover, Pakistanis are almost entirely Muslims and so are potential donors for Islamic NPOs.



Figure 7: Ethnic Minorities in the UK (Sunak and Rajeswaran, 2014: 6).

The Decision-Making Process

All the models discussed propose that the decision-making process starts with an externally initiated step. Guy and Patton (1989) relate philanthropic actions to the 'awareness of need' while the mitigating factors enhance or inhibit the 'giving' decision. In the process proposed by Sargeant (1999), intrinsic determinants play a later role in shaping the steps of the decision-making process. However, the findings have highlighted that the first step may not necessarily be based on 'need,' as in the case of *Zakah*. Furthermore, once Ramadan begins, donors are likely to pay *Zakah* regardless of the 'existence of need,' whereas Guy and Patton (1989) consider the 'need' to be a precursor to a 'helping' decision. Consequently, the actual process does not necessarily begin with a perception of 'need.'

In the case of social obligations, participants are expected to donate as per the instruction of the family head or community leader. In such circumstances, donors will not follow the steps proposed by Guy and Patton (1989), i.e. that donors go through a systematic process and that none of the five proposed steps can be omitted. Also, the claim by Bendapudi *et al* (1996) that their generic model is universal has now been proven invalid as it does not accommodate this situation. The findings of this research show that this process is not always applicable, nor are all the steps followed. It is not absolutely necessary to have a 'need' in order for a donation to be made. Donating due to religious obligations can render this step redundant.

Similarly, according to participants' post-donating behaviour, a generic process should not end with the 'giving' action. According to the 'processing determinants' step presented by Sargeant (1999), donors review their past experiences with NPOs in terms of their satisfaction with the organisation's donor care, fund management and transparency. Clearly this seems to be a major factor in considering re-donating,

Conclusions

particularly in the case of substantial or long-term donations such as *Waqf*. As stated by participants, donors monitor their previous contributions through regular reports. Donors also seek information on the impact their previous contributions had on beneficiaries. According to their level of satisfaction, donors decide whether to 'donate' or 'not donate' in future, as suggested by previous models. However, this does not account for new donors, whereas participants stated that they evaluate NPOs or causes when making large or long-term donations, utilising the community environment for recommendations. Therefore, post-donating evaluation has emerged as another integral step in the decision-making process since previous models fall short of considering this vital step. This element was not fully considered by previous models except for Bendapudi *et al* (1996) who presented in the 'consequences' that based on their unpleasant experiences donors may become lapsed donors or even non-donors proactively opposing. However, they somehow limited donors' negative reaction to these two routes, whereas donors could become negative to the *Waqf* scheme, for example, but still pay *Zakah* to the same NPO, according to some participants.

Objective (1):

To analyse donors' motivations for making donations.

It has been ascertained that the main donor motives are religious obligations, particularly for *Zakah* donations. Donors are also intrinsically motivated to donate as a means of gaining extra spiritual rewards. Additionally, donors are motivated by the *Waqf* concept due to its unique features including continuity, longevity and ongoing rewards and benefits. The combination of advancement in donors' age, education and financial capability seems to increase the likelihood of donating to *Waqf* due to the ability and desire for continuous spiritual rewards and benefits after death. Social factors also seem to be strong determinants. In addition, donors use donations to show their solidarity, sympathy and empathy with beneficiaries, particularly those with whom they share a similar ethnic, faith or cultural identity.

Objective (2):

To analyse donors' decision-making process, and model their behaviour.

There are several factors that impact the way donors behave in terms of decision-making. Some of the main factors are donation size and the duration of the donor relationship, which result in either prompt giving with minimum action, or planned giving, such as *Waqf*, which requires considerable research and evaluation. Similarly, if the donation is large or requires a long-term relationship, donors tend to evaluate their previous giving experience for more effective future decisions. In addition to the 'need' step, a proactive 'religious obligation' step can be a starting point.

As discussed, donors are triggered to donate reactively or proactively. The reactive triggers include the awareness of a need such as charity appeals or social factors. The proactive triggers require no external intervention, at least at the beginning, but respond to internal religious obligations or the desire to seek rewards.

Significant determinants, and the stage of searching and evaluating a cause or an NPO, are relevant to situations and contexts, as discussed above. Payment methods also depend on donation size, location and payment method available. In general, donors seek convenience but prefer to pay cash if the donation is small, and pay online or via cheque if the donation is large or long-term; or if they wish to donate anonymously.

Post-donation behaviour is accounted for through a newly added 'post-donating evaluation' step, which is crucial (particularly for *Waqf*) due to increasing stakeholders' accountability and higher stewardship expectations. The evaluation of NPOs or charitable causes by new donors, and the review of past experiences by existing donors, precede any future donating decisions. Following this the next step emerges and summarises donors' future decisions towards a particular charity or cause: to 'donate' or 'not donate.'

As a result of this research, a more comprehensive and representative donor behaviour model has been designed, as illustrated in Figure 8, which portrays the giving process that depicts how donors actually make various types of donations, including *Waqf* and *Zakah*.

INPUTS	
Proactive	Reactive
Responding to intrinsic triggers: <ul style="list-style-type: none"> • Religious obligations • Seeking extra reward • Atoning for sins 	Responding to extrinsic triggers: <ul style="list-style-type: none"> • Appeals for help • Social obligations • Attractiveness of 'products'

SIGNIFICANT DETERMINANTS	
Intrinsic Determinants	Extrinsic Determinants
<ul style="list-style-type: none"> • Geodemographics • Education • Financial capability • Solidarity • Sympathy • Empathy 	<ul style="list-style-type: none"> • Organisational image • Donation type/size • Recipients' variables • Fit with purpose • Religious events • Worthy cause

SEARCH AND EVALUATION	
Judgmental Criteria	Past Experience
Recommendations and referrals Organisation's image: <ul style="list-style-type: none"> • Espoused values/credibility • Management portrayal • Espoused donor care and involvement 	Impact of past donation(s) Organisation's behaviour: <ul style="list-style-type: none"> • Enacted values/credibility • Enacted fund management • Enacted donor care and involvement

OUTPUTS		
Time	Location	Payment Method
<ul style="list-style-type: none"> • Religious occasions • Convenience 	<ul style="list-style-type: none"> • Religious/Community centres • Convenience 	<ul style="list-style-type: none"> • Cash, Online etc. • Convenience

POST-DONATING EVALUATION	
Internal	External
Impact of donation on the donor <ul style="list-style-type: none"> • Religious obligations fulfilment • Personal satisfaction • Self-esteem 	Impact of donation on the beneficiary Organisational behaviour <ul style="list-style-type: none"> • Reliability of fund management • Donor care and involvement • Social respect

POST-EVALUATION DECISION	
Donate	Not Donate
To same cause and/or NPO	Change future cause and/or NPO

Figure 8: Donor Behaviour Model.

Objective (3):
To evaluate if <i>Waqf's</i> current marketing strategies are in line with actual donor behaviour.

Findings show that current marketing strategies do not fully consider donor behaviour in both motivations and decision-making processes. Donors are motivated by the *Waqf* concept but not the *Waqf* schemes offered by various NPOs as they involve unaffordable prices and inefficient donor management (i.e. low level of donor involvement). Prices inhibit wider segments from becoming *Waqf* donors while low donor involvement may lead to donor dissatisfaction and possibly a decline in donations. Furthermore, no flexible online payments by instalments were offered to facilitate lower income donors. Overall, the schemes do not allow donors to decide the location of implementation while donors prefer to contribute to their communities locally or in their countries of origin. There is poor communication

with potential donors as most non-*Waqf* donors have never received information about *Waqf* from any NPO. Consequently, there is considerable room for improvement in marketing strategy and implementation.

Objective (4):
To identify what aspects of <i>Waqf</i> marketing strategies need to change for more efficiency and effectiveness by utilising the findings.

Based on the insight gained from donors and staff, *Waqf* marketing can be improved with better planning and communications. Donors are currently approached indiscriminately with no planned segmentation or targeting strategy. This needs to be improved, particularly because *Waqf* is a relatively complex and expensive product that primarily suits mature, educated and wealthier donors. *Waqf* is not currently adequately communicated to donors. Several communication tools can be utilised in order to reach wider audience when introducing the concept and emphasising its unique benefits and rewards. *Waqf* prices need to be reconsidered to attract more donors. Online payments are currently inflexible and no unrestricted instalments are allowed. This creates a good potential for improvement. The investment policies promoted by various NPOs do not appear to be satisfactory. Annual returns are not being managed efficiently and are not coping with inflation. This is a critical issue. Donors seem to be put off by the potential deteriorating capital value and this may discourage them from donating to *Waqf*. Donors' requirements are not catered for effectively. In order to retain donors, they need to be involved in the decision-making process of project implementation with regular and prompt reporting systems to show the positive impact for those in need. In addition, adjusting the distribution percentages of annual returns is necessary to preserve the capital value by, for example, re-injecting a higher percentage into the main capital.

Recommendations

In light of the findings and conclusions, it is strongly recommended that NPOs should utilise the new proposed decision-making model (Figure 8) for designing future marketing strategies. The model accounts for all types of donors and donations including *Zakah* and *Waqf*. In addition, the following points are also recommended:

NPOs need to redesign aspects of their *Waqf* schemes so that they can live up to donors' expectations. This includes lowering the prices, allowing flexible online payments, diversifying the investment portfolio, managing the fund effectively, providing better donor care and greater involvement in project implementation.

Once adjusted, *Waqf* needs to be communicated to donors through live fundraising events, direct marketing, web and social media, community centres and mosques. This will utilise word-of-mouth recommendations and tap into social obligations that community leaders and heads of households dictate to their members. Given the religious obligation that necessitates *Zakah* on capable individuals, NPOs can capitalise on this opportunity to promote *Waqf* as well, particularly in Ramadan when most donors aim to give in order to gain extra reward. By offering efficient fund management and better donor care, more *Waqf* donations can be attracted, given the size of donations and long-term relationship required.

It is recommended that *Waqf* prices are reduced and, if possible, made unrestricted. This will give younger generations the ability to donate to *Waqf*. Given the expected growth of ethnic minority populations in the UK, *Waqf* needs to be simplified and introduced in an affordable manner to potential young donors.

Waqf, as a concept, is more attractive to mature, educated and wealthier donors. Appropriate market segmentation and focused targeting strategies need to be designed and implemented, using community mapping. To recruit new donors, NPOs need to raise awareness about the *Waqf* concept and educate donors about its significant role in alleviating poverty

and sustaining NPOs. As a relatively complex product, *Waqf* requires a clear and extensive explanation before donors realise its uniqueness and its USP can be accentuated in marketing collateral and fundraising campaigns. In addition, older donors are more likely to write wills, so *Waqf* can be marketed as an ideal fund to invest in for ongoing benefits and spiritual rewards after death, possibly through a tailored '*Waqf* Wills' sub-scheme.

To utilise the solidarity motive, it is essential to consider poor countries from which donors originate when allocating funds. Implementing projects in these countries will attract more donors and donations. NPOs may be able to offer a set of countries which represent donors' communities, providing they have established offices in those countries to enable well-managed projects. NPOs may even launch a sub-scheme entitled '*Waqf* Countries', offering donations to specific *Waqf* projects in specific countries.

For better donor involvement, a donor committee can be formed comprising major donors to represent the donor community and communicate their wishes. If donors are given the chance to contribute to the alleviation of poverty in their countries of origin, they are likely to be more loyal to the scheme.

Future Research

This research used the qualitative methodology which was appropriate in the current exploratory stage. However, due to its natural limitations, further research is recommended using qualitative focus groups for more donor insight in terms of other unveiled motivations and determinants such as the *Waqf*-wills linkage. Quantitative research is also recommended, using surveys for more donor coverage and quantification of the significance of determinants such as donor age, education, income level, ethnic origin and religious affiliation. Quantitative research can also explore how these demographics relate to factors like donors' tendency to donate, *Waqf* prices, countries of implementation and donor care.

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Glossary of Arabic Terms and Acronyms

<i>Awkaf, Awqaf</i>	Variations of the plural of <i>Waqf</i> - see <i>Waqf</i>
NPO	Non-profit organisation
NPOD	Non-profit organisation donor
<i>Sadaqah</i>	Voluntary donations
<i>Shari'ah</i>	Islamic divine law
USP	Unique Selling Proposition (or Unique Selling Point)
<i>Waqf</i>	The Arabic word for 'endowment' and 'trust' donations and funds
WD	<i>Waqf</i> donor
<i>Zakah</i>	Islamic almsgiving, an obligatory annual donation required of all Muslims with financial means
ZD	<i>Zakah</i> Donor

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Remodelling Donor Behaviour

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