

Charity Service Quality: A Moderator in Marketing Mix Strategy and Project Performance

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Abstract

This study investigates the relationship between marketing mix elements, service quality, and the performance of charity projects in Saudi Arabia, with a focus on the Volunteers at Bir Organization and Osraty Organization in the city of Madinah. Using survey questionnaires distributed to 395 volunteers, the research analyzes the impact of Charity Products, Charities Promotion, Process of Charity, and Physical evidence on Charity Projects Performance. The findings reveal a significant relationship between Process of Charity and Physical evidence with project performance, while Charity Products and Charities Promotion show an insignificant association. Moreover, Charity Service Quality moderates the relationship between Charities Promotion, Process of Charity, and Physical evidence, but not Charity Products. The study emphasizes the importance of maintaining service quality standards for effective charity project performance, suggesting that quality services can enhance the promotion, process, and physical environment of charity initiatives.

Keywords: *Products, Promotion, Process, Physical evidence, Charity, Performance.*

1. Introduction

The main characteristics of the Saudi charitable sector are that it is currently dominated by religious motivations, the founders of a charitable organisation have a considerable influence on the management of the organisation, and this causes charitable organisations to progress despite having weak organisational structures. Individual donors, businesses, and the Saudi government all contribute to the funding of various charitable organisations in Saudi Arabia. The majority of charitable contributions in Saudi Arabia come from private individuals. The many characteristics that set Saudi society apart from other societies are likely to have an impact on the manner in which Saudi citizens give and receive monetary donations. These include the impact that rising oil prices have had on people's wages, the pervasiveness of Islam in Saudi society, and the recent expansion of charitable organisations in the country (Amasha, 2018).

In a sizable percentage of the most recent scholarly work on charity organisations, the historical context of charitable activity in Saudi Arabia is given considerable

attention. In fact, the attitudes, ideas, and ideals surrounding welfare and charity have their origins firmly planted in Arabic and Islamic culture. The Prophet Muhammad is the source of these (peace be upon him). Al-Dakhil (2010) asserts that philanthropic work was carried out in the Kingdom of Saudi Arabia for a very long period before charitable organisations were formally established. At the beginning, philanthropic work was done on an individual basis. Later, it was broadened to include charitable work done by families in the form of charity boxes. This was done in an effort to cover all aspects of societal collaboration between people. Since that, there have been many charitable initiatives launched, The Ministry of Labor and Social Development has replaced the previous name of Ministry of Social Affairs, which it has held since 2015. The impact Saudi Arabia's status as an affluent society has had on the nation's social welfare is emphasised by both Al-Najem (2009) and Iffhad (2010). They also point out that a huge number of charity groups have been formed as a result of

the new charitable environment, all of which increase the social and economic standard of living in society. As of May 2016, there were 686 charitable organisations operating in the Kingdom of Saudi Arabia, one of the achievements of these sectors (The Annual Statistical Book 2014 – 2015)..

2. Problem Statement

In spite of Saudi Arabia's renowned generosity, Despite Saudi Arabia's well-known generosity, its global aid efforts face challenges due to the lack of a comprehensive humanitarian framework and a shortage of skilled personnel for efficient disaster response.(Al-Yahya & Fustier, 2019). Religious organizations, crucial in the not-for-profit sector, face obstacles in fundraising due to increased competition and complexities in managing individual contributions (Abreu, 2020). Saudi Arabia, perceived as a follower in the humanitarian sector, lacks a well-defined approach for aid provision, limiting its impact and soft power potential (Abdulmageed & Saeed, 2021; Alanazi, 2018)

The donation behavior of young Saudis, along with the potential influence of effective marketing strategies on charity project performance, lacks clarity and has been minimally explored in research. (Alhidari, 2019). This scarcity of academic research highlights the need for a better understanding to improve the effectiveness of charity projects, especially considering the distinct nature of monetary donations compared to other forms of philanthropy (Alhidari, 2019).

3. Research Question

1. What is the relationship between Charity Products and Charity Projects Performance in Saudi Arabia?
2. How does Charities Promotion impact Charity Projects Performance in Saudi Arabia?
3. What is the relationship between Process of Charity and Charity Projects Performance in Saudi Arabia?
4. How does Physical evidence contribute to Charity Projects Performance in Saudi Arabia?

4. Literature review

The progress of Zakat in Saudi Arabia has been significant and motivational, reflecting a well-established culture deeply rooted in the teachings of Islam.. Zakat, one of the five pillars of Islam, emphasizes the duty of Muslims to give a portion of their wealth to those in need. This religious obligation has played a fundamental role in shaping the Kingdom's charitable practices since its formation. Over the years, the Saudi Arabian government has made tremendous efforts to foster the growth of charitable organizations. Recognizing the importance of formalizing the sector, the government has established frameworks, regulations, and policies to facilitate the establishment and operation of charitable entities. These measures have provided a solid foundation for the development of charity in Saudi Arabia. The Kingdom boasts an impressive array of philanthropic institutions

that have played a pivotal role in addressing societal needs. Organizations such as the Saudi Red Crescent Authority and the King Salman Humanitarian Aid and Relief Centre have demonstrated their commitment to both domestic and international relief efforts. Their efficient and effective response to various crises showcases the progress of charitable endeavors in Saudi Arabia (Abdulmageed & Saeed, 2021).

5. Varieties of Social Services and Programs Offered by Charitable Organizations

Charities are entities dedicated to assisting individuals in need through the provision of diverse social services. However, each charity possesses a unique mission along with exclusive activities specific to its objectives. A wide selection of social service options are also offered by charities. They built their programs as a direct result of these aims, each of which is unique from the other in accordance with the capabilities of the organization. These programs are distinguished from others in this way since they are designed to cater to the requirements of the participants to the maximum extent that is practically possible. One of the ways in which they differentiate themselves from other possibilities is by doing this (Bin Hamdan, 2023).

6. Saudi Charity Regulations

It is crucial to highlight two key implications regarding the impact of Saudi regulations on the functioning of charitable organizations. Firstly, the role of the MSA is integral to the broader social development initiative., which either shares with the charitable charities the same goals and activities or authorises charitable charities to carry out some missions in cooperation and coordination relations. In the second place, there is the ministry's role in the legalisation and supervision of charitable organisations. The hierarchical relationship between MSA and charities sheds light on the significant influences made on charities by MSA, its agency, and the many divisions of MSA, which may bring to light the variables that have the most impact on a charity's PM (Kassem et al., 2020)

7. Methodology

The researcher utilized a quantitative research approach for this study, conducting a survey to gather numerical data that describes the trends, attitudes, or opinions of a population through the analysis of a representative sample. The researcher made assumptions or draw conclusions about the population based on the findings of the sample. In addition, data was gathered via the use of a questionnaire, which is a written set of questions that respondents are asked to reply to and then record their replies to. In a questionnaire, respondents are required to read the questions, comprehend what is being asked of them, and then record their responses (Saunders et al., 2016). The responses to these questions are then taken into consideration as the thoughts and perspectives held by the whole population from whom the sample was taken. In this study, the researcher selected the sample from the volunteers of the Charity Organizations in the city of Madinah, Saudi Arabia. According to the National

Society For Human Rights (2021), the provnace of Madinah in Saudi Arabia host a total of 32 Charity Organizations recognized and registered in the Ministry of Human Resource and Social Development in Saudi Arabia (National Society For Human Rights, 2021).

8. Conclusion

This study has illuminated the complex interconnections among critical components of the Marketing Mix Model 4Ps—Charity Products, Charities Promotion, Process of Charity, and Physical evidence—and their influence on the performance of charity projects in Saudi Arabia. The study has yielded significant findings, confirming the importance of effective charity processes and a tangible presence in influencing project outcomes. However, the unexpected insignificance of Charity Products and Charities Promotion underscores the need for a nuanced understanding of the factors contributing to the success of charity projects. Furthermore, the research has underscored the essential moderating function of Charity Service Quality in melding the connections between promotional activities, charity processes, and the physical aspects of charity projects. This underscores the paramount importance of maintaining high service standards, even when certain marketing mix elements may not directly influence project performance.

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