

# A WAQF-DRIVEN NOT-FOR-PROFIT FOOD SERVICE MODEL FOR SUPPORTING MALAYSIA'S B40 COMMUNITY

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(Received 22<sup>nd</sup> November 2025; revised 19<sup>th</sup> February 2026; accepted 08<sup>th</sup> March 2026)

**Abstract.** The food service industry is an important contributor to the Malaysian economy in fulfilling customer demands who eat outside of home on a daily basis. Due to the challenges of overcoming the aftermath of the COVID-19, the B40 group are susceptible to the rising costs of living, especially in affording nutritious meals. Hence, community food programmes, such as soup kitchens and social enterprises, are much needed in helping the underprivileged in fulfilling their balanced meals per day which can be achieved through a waqf-based approach that are sustainable. The aim of this research is to explore how a waqf-based model can overcome the challenges faced by the B40 group through transforming a for-profit food service into a not-for-profit entity, thereby providing sustainable food service initiatives and supporting government initiatives like the Menu Rahmah programme under the Malaysia Madani framework. A proposed conceptual framework was developed to provide a structural approach in implementing a waqf-driven model, offering a practical insight into the operational strategies necessary for a successful transition. The pilot study conducted using Focus Group Discussion, interviews, and survey found that participants show their support in the model and provided comments as feedback.

**Keywords:** *Waqf-based model, for-profit food services, not-for-profit food services, Madani framework, sustainability*

## Introduction

The food service industry has expanded rapidly in recent decades, driven by rising consumer demand, greater cultural diversity, and the sector's ability to innovate and adjust to changing lifestyles (Abdullah et al., 2012). In Malaysia, eating outside the home has become embedded in daily routine: 43% of Malaysians dine out several times a week, spending between RM800 and RM1,200 monthly (NSC, 2024; Rakuten Insight, 2022). Household expenditure data also show a consistent shift away from home-cooked meals towards food and beverages purchased outside the home. This trend demonstrates the growing economic and social importance of the food service sector. However, this shift has come with rising vulnerabilities among low-income groups. Time-poor households especially those in the B40 segment, increasingly depend on ready-made and affordable food options because of long working hours, multiple jobs, and rising living costs. When economic shocks occur, such as the COVID-19 pandemic, these households face heightened food insecurity, limited access to nutritious meals, and greater dependence on social assistance programs (Arsat et al., 2023). Malaysia's absolute poverty rate rising to 6.2% in 2022 illustrates these structural pressures (DOSM, 2023). Existing initiatives such as Menu Rahmah, food banks, and soup kitchens provide short-term relief but do not offer a sustainable model capable of supporting long-term resilience and dignified access to food.

Despite the centrality of food services in Malaysia's urban and low-income communities, the country lacks a sustainable, non-profit, community-anchored food service model that can guarantee affordable, nutritious meals for vulnerable households while remaining financially viable. Current for-profit food services are driven by commercial imperatives, while welfare-oriented programs rely heavily on government or donor funding and often lack operational sustainability. As a result, B40 households remain exposed to food insecurity, inconsistent meal quality, and rising market prices, particularly during economic downturns. Although past studies have examined for-profit and non-profit food service operations, Islamic social finance instruments, and waqf-based welfare initiatives, no existing research integrates these elements to develop a waqf-driven, not-for-profit food service model tailored for Malaysia's B40 communities. Existing literature does not address how waqf can structurally transform the food service ecosystem beyond charity into a perpetual, operationally sustainable system capable of serving vulnerable households at scale. As Malaysia faces rising food insecurity, higher living costs, and increasing reliance on eating out, the need for a stable, community-based model that ensures affordable access to meals has become more pressing than ever. A waqf-driven approach offers a long-term solution because of its perpetual nature, ethical financing structure, and ability to combine social welfare with operational efficiency. This paper aims to develop a conceptual waqf-driven non-profit food service model that integrates social finance principles, organisational redesign, and community participation to provide a sustainable framework for supporting vulnerable Malaysian households, particularly the B40 group.

### *Literature review*

#### *For-Profit vs Not-for-Profit food services*

The distinction between for-profit and not-for-profit food services is fundamental to understanding how organisational purpose shapes funding models, decision-making, and stakeholder expectations. For-profit food services prioritise profit maximisation, operational efficiency, and return on investment, whereas not-for-profit food services emphasise cost recovery and mission fulfilment rather than surplus generation (Ghiselli and Ismail, 1996). This divergence in purpose results in different organisational behaviours and value propositions. In for-profit settings, food service operations function as the primary revenue-generating unit, while in not-for-profit environments such as universities, hospitals, community centres, and faith-based organisations, food service functions as a support service that facilitates the host institution's core mission (EHL Insights, 2020). This role alignment enables the host institution to prioritise broader social or community goals without being constrained by commercial imperatives. A key structural difference lies in funding. For-profit food services rely on equity contributions, retained earnings, commercial credit, or franchise models to accelerate market expansion. In contrast, not-for-profit entities draw on institutional budgets, government grants, philanthropic contributions, and increasingly, hybrid financing models such as social enterprises and community-based funds (Davis et al., 2018). These funding structures shape risk profiles: for-profit organisations absorb financial risk to secure higher returns, whereas not-for-profit organisations prioritise financial stability, continuity of service, and accountability to donors and beneficiaries. Recent nonprofit governance studies emphasise that mission-driven entities increasingly adopt hybrid financing strategies including endowments, community bonds, and faith-

based social finance to ensure long-term sustainability (Anheier, 2023; Seering et al., 2021). This broader literature strengthens the conceptual link to waqf as an Islamic third-sector instrument with perpetual capital characteristics.

Ownership structures also differ significantly. For-profit food services are owned by individuals, partnerships, franchises, or corporations, while not-for-profit food services have no private owners; assets and surpluses are reinvested into organisational or community objectives. Consequently, organisational frameworks diverge: for-profit operators prioritise customer satisfaction, competitive pricing, and branding strategies to retain market share (EHL Insights, 2020). Torres et al. (2024) confirm that customer delight expressed through positive emotions, willingness to pay premium prices, and loyalty, directly enhances managerial margins, highlighting the behavioural economics underpinning consumer choices in commercial food services. Not-for-profit food services, by contrast, mirror many operational elements of for-profit providers such as food quality, safety, and customer experience but centre their operations on community well-being, affordability, and nutritional value. Recent literature emphasises that nonprofit food providers tend to adopt stronger organisational structures, stricter policy adherence, and clearer accountability frameworks, not only to protect beneficiaries but also to satisfy donors, regulatory agencies, and community stakeholders (Anheier, 2023). Abidin et al. (2013) similarly note that not-for-profit food services are often more consistent in enforcing safety and hygiene standards due to formalised governance systems.

### ***Industry context: Malaysia's food service sector***

The food service industry has become a major contributor to Malaysia's economic landscape, with increasing consumer demand for convenient, diverse, and innovative dining options (Abdullah et al., 2023; Abdullah et al., 2012). DOSM (2024) reports that the sector contributed 2.7% to GDP in 2023 and employed over one million workers, reflecting an expanding service economy. The sector's growth is supported by linkages with transportation, agriculture, halal tourism, and retail, reinforcing its systemic importance. However, this growth is accompanied by heightened competitive pressure. Economic shocks such as the 2008 global financial crisis and the 2020 COVID-19 pandemic have intensified price sensitivity among consumers, prompting operators to reduce prices, introduce discounts, and redesign menus to stay afloat (Abdullah et al., 2012). Scholars argue that Malaysian food service operators must adopt strategic, long-term performance measures that emphasise non-financial indicators, customer satisfaction, perceived value, quality of service, and brand trust to build resilience (Torres et al., 2024; Abdullah et al., 2012). Five critical determinants influence consumer loyalty in Malaysia's multicultural and halal-sensitive market such as halal assurance, discounted pricing strategies, service quality, branding, and tangible features such as interior design and parking availability. For Muslim-majority markets and Muslim-minority tourist segments, halal certification is a crucial trust mechanism (Akbar and Mohamed Yousoof, 2025; Abdullah et al., 2012).

### ***Islamic social finance***

Islamic economics and finance have advanced rapidly in recent years, contributing to socioeconomic development by aligning financial practices with ethical and social objectives (Akbar et al., 2025). Within this broader discipline, Islamic social finance

serves as a key mechanism that integrates economic activity with social value creation (Mohd Thas Thaker et al., 2024). Its instruments such as waqf, zakat, and sadaqah, function as a third sector capable of addressing market and state failures, particularly in areas related to poverty alleviation, food insecurity, and support for vulnerable groups. Ensuring long-term sustainability within this sector, however, requires robust governance, transparent structures, and strategic institutional design, as emphasised by Kasri and Ismail (2021). Waqf (awqāf in plural) remains one of the most distinctive instruments of Islamic social finance due to its perpetual nature and its ability to generate recurring benefits for society. Established historically as a mechanism to uplift the poor, expand public goods, and support essential services such as education, healthcare, and welfare (Mohamed et al., 2021; Ghassan, 2016), waqf has long served as a community-owned asset system that complements state provisions (Rashid, 2018). Unlike zakat and sadaqah, which are typically consumption-based, waqf preserves its principal capital while distributing benefits over time (Ihsan and Ayedh, 2015). This perpetual design positions waqf as an ideal instrument for sustainable social service provision, including during crises such as the COVID-19 pandemic, when waqf-supported initiatives played significant roles in supporting affected communities and small businesses (Ascarya, 2022). Thus, waqf—not merely as a charitable tool but as an institutional mechanism is central to promoting socio-economic justice (Mohd Thas Thaker et al., 2024).

Definitions of waqf consistently highlight “holding an asset” and preserving it for specific philanthropic purposes (Kahf, 2003). Kahf’s tripartite categorisation religious, philanthropic, and family waqf captures the breadth of its historical applications and underscores its potential to alleviate fiscal pressure on governments while supporting community welfare. Although traditionally associated with physical or non-perishable assets such as buildings and land, waqf has expanded to include cash waqf, share waqf, corporate waqf, and digital waqf, enabling broader participation and scalability. These modern forms rely heavily on permissible Islamic financial instruments such as *muḍārabah*, *mushārahah*, diminishing partnership, *istisnā’*, and *sukūk* to ensure sustainability and Shari’ah compliance (Rashid, 2018). Despite these strengths, current waqf applications often fall short in addressing contemporary socioeconomic challenges for several reasons. First, many waqf initiatives remain fragmented, small-scale, or charity-oriented, lacking integration with modern service delivery sectors such as food services, housing, and healthcare. Second, governance weaknesses such as limited transparency, inadequate asset management, and slow institutional innovation reduce waqf’s ability to function as a strategic economic instrument. Third, few existing waqf models incorporate modern organisational frameworks or operational mechanisms that ensure service quality, cost-efficiency, and long-term sustainability. Fourth, most existing waqf food-service models focus on charitable distribution (e.g., soup kitchens) but do not address structural issues such as cost recovery, employment creation, community participation, or operational integration with host institutions. Recent reviews on Islamic social finance governance similarly argue that the real challenge is not the concept of waqf but its institutional design, governance standardisation, and ability to scale (Kamaruzaman and Ishak, 2023; Laldin and Furqani, 2018; 2016).

Historical models offer valuable insight but also reveal these limitations. The Ottoman Waqf Soup Kitchen (*imāret*) model illustrates how waqf-based institutions provided not only food but also social spaces, temporary lodging, counselling, and medical assistance (Ahmad Dahlan et al., 2021). Its strength lay in holistic service

delivery and community integration. However, it operated in a socio-political context where waqf was a major component of public finance, a system not fully replicated in modern Malaysia. Moreover, the imāret model relied on extensive endowment assets, making it less adaptable to contemporary urban constraints where waqf land and liquidity may be limited. Similarly, the proposed mKitchen (mosque kitchen) Business Model, a joint venture between International Islamic University Malaysia (IIUM) and mosques, demonstrates that mosque-based community kitchens can leverage waqf and volunteerism to provide daily meals, create jobs, and empower B40 foodpreneurs (Ahmad Dahlan et al., 2021). While promising, such models are primarily charity-oriented, rely heavily on donations and volunteer labour, and lack structural mechanisms for financial self-sufficiency, cost recovery, and integration with professional food service operations. The pilot project conducted at Masjid al-Syakirin Gombak in 2021 highlights feasibility but also demonstrates the challenges of replicability and scaling beyond the mosque context. These historical and contemporary examples indicate that existing waqf applications are not yet configured to address the current structural vulnerabilities in Malaysia's food service ecosystem, particularly in ensuring affordable access to quality meals for the B40, achieving operational sustainability, or developing professionally managed, community-centred service models.

### ***Literature gap***

Although previous studies acknowledge waqf as a non-profit, perpetual asset system capable of supporting social welfare initiatives, existing research remains limited to conceptual discussions, small-scale soup kitchen models, or general analyses of Islamic social finance. No study has examined how waqf can be systematically integrated into the organisational, financial, and operational structure of food services to transform for-profit outlets into sustainable not-for-profit entities serving the B40 population in Malaysia. This gap persists because the literature lacks empirical evidence, practical frameworks, and governance-oriented models that address resource allocation, knowledge transfer, and operational sustainability at scale. This gap matters because without a clear, implementable waqf-driven model, current food insecurity challenges among low-income households remain unresolved and existing charity-based programs cannot provide long-term stability. Therefore, this paper addresses the gap by developing and analysing a comprehensive waqf-driven food service model, supported by case studies, stakeholder interviews, and empirical insights to assess its practical viability, challenges, and potential for large-scale implementation in Malaysia.

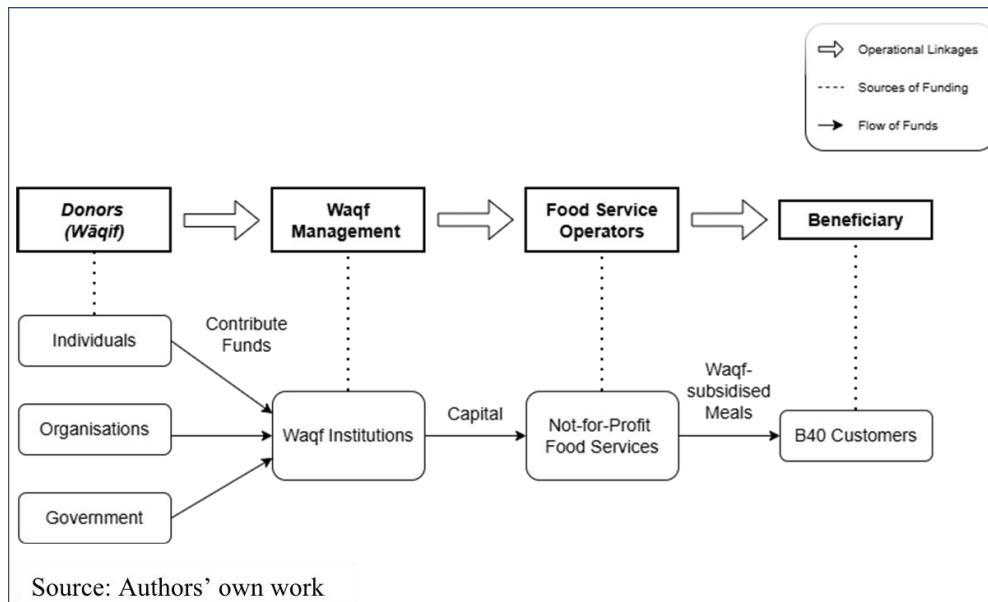
### ***Critical synthesis and theoretical integration***

Although the existing literature clearly distinguishes between for-profit and not-for-profit food service models, a gap remains in explaining how third-sector Islamic financial institutions, especially waqf can structurally transform food services into sustainable, community-centred systems. Current studies on nonprofit transformation highlight the importance of mission alignment, sustainable financing, governance quality, and hybrid organisational structures (Searing et al., 2021). Meanwhile, Islamic social finance literature illustrates the potential of waqf as a perpetual, community-owned asset system capable of supporting social welfare sectors, including food provision (Ishak et al., 2025; Kahf, 1999). Yet these two bodies of literature rarely

intersect. A theoretical integration is therefore required to underpin the proposed model. Institutional theory explains how not-for-profit food service arrangements emerge and adapt within wider social, cultural, and regulatory environments. Third-sector theory positions waqf within the broader charitable and community-based governance ecosystem, highlighting its role as a non-state actor capable of delivering public value. Complementing these, Islamic social finance theory provides the normative and operational foundations such as Shari'ah compliance, risk-sharing, and ethical stewardship that enable sustainable, equitable, and values-driven service delivery. Together, these three theoretical lenses offer a coherent framework for understanding how waqf-based food service systems can be institutionalised, governed, and scaled within Malaysia's food security landscape. Integrating these perspectives enables the development of a waqf-driven organisational transformation model for food services one that is financially perpetual, socially responsive, and mission-aligned.

### ***The proposed conceptual framework***

The model proposed in this study is a waqf-based food service transformation of a for-profit food service to a not-for-profit entity. The aim of this model is to ensure a sustainable operation of the food service industry for the welfare of the B40 consumers based on the sustainability objective of the Malaysia Madani framework. This study proposes the following conceptual framework (*Figure 1*). The proposed model, as seen in *Figure 1*, works as follow: (1) Waqf donors, or wāqif, from individuals (households), organisations (private sector), and the government (public sector), provides the funds through waqf to the waqf institutions. (2) The waqf institutions manage the waqf by providing the funds to qualified food service operators in the form of capital. (3) These food service operators cover the costs of their operation through the provided capitals, enabling them to sell their meals at a cheaper price especially to B40 customers (the main beneficiary of the model), lessening the economic hardship they face from the rise of food expenditure due to the increase in raw materials (Sipalan, 2025). The waqf-driven model establishes the sustainability of the food service practices due to its not-for-profit characteristics. Food service operators interested in providing social welfare to the vulnerable groups of the society can contribute to the welfare-mission of this proposed framework. This can enable them to provide much-cheaper option of meals to B40 customers without the worries of being burdened by covering their operational costs. However, they must follow necessary conditions or standards that conform to the management of the waqf institutions, such as ensuring the safety and hygiene-management of the meals and services provided, abiding to the principles of halal certification, and avoiding any food wastage that are not in-line with the Islamic principles. Aside from that, the capital provided by the waqf institutions must also remain perpetual. This means that if ownership of the capital is changed, the waqf management must ensure the perpetuity of the waqf capital. This requires further research to strength the business model of this transformation food service waqf-based model.



**Figure 1.** Proposed transformative food service Waqf-driven model.

## Materials and Methods

The study first conducts a systematic literature review on the topics related to for-profit and not-for-profit food services, Islamic social finance, waqf concepts and other models, B40 group, and Menu Rahmah from the Malaysia Madani framework, to identify literature gaps. The study subsequently extracts the concepts and theories in providing a proposed conceptual framework from the reviewed literatures. The study then employs a mixed method of qualitative and quantitative approaches. The qualitative method would include focus group discussions (FGDs) and interviews of participants from the following groups: Waqf institutions, academy community, commercial food operators, and B40 customers. Using data extracted from the literature reviews, research questions for both FGDs and interviews were constructed. After gaining insightful data from the FGDs and interviews of the four groups, the next method is utilising the survey on a sample of proposed B40 customers and food service operators in providing a generalised view from the statistical data. The next step is analysing the data and providing appropriate discussion from the results. Lastly, the study would provide a concluding remark, as well as policy implications and recommendations based on the findings.

### *Pilot study*

#### *Focus Group Discussion (FGD) and interview*

A pilot study was conducted on both the qualitative and quantitative methods to check the clarity and understanding of the instruments' research questions. The pilot study consisted of two sessions: (1) Focus Group Discussion (FGD), and (2) interview. The participants for both sessions were performed by two participants. The first participant is a micro business food operator, and the second is a small business food service operator. They were both given the needed information before starting the sessions. Both sessions were conducted on 30 April 2025 (Wednesday) between 3:29

PM to 3:56 PM for the first participant, and 16 June 2025 (Monday) from 10:30 AM to 11:01 AM. Details are as follows (*Table 1*).

**Table 1.** *The pilot study.*

Category	Participant 1	Participant 2
Focus group discussion		
Date	30 April 2025 (Wednesday)	16 June 2025 (Monday)
Time	3:29 PM to 3:44 PM	10:30 AM to 10:41 AM
Duration	15 minutes	11 minutes
Interview		
Date	30 April 2025 (Wednesday)	16 June 2025 (Monday)
Time	3:45 PM to 3:56 PM	10:45 AM to 11:01 AM
Duration	11 minutes	16 minutes

During the sessions with the first participant, there were many pauses as the participant was not well versed in the general business settings as well as from economic perspectives, still considered new to the business world. The participant needed the necessary guidance from the moderator in understanding the questions. After the sessions, when asked about the clarity or the questions in-line to the purpose of the study, the participant was in view that the questions were understandable but since the viewpoint is not in the participant's field, there was not much input the participant can provide. Maybe well-versed participants, such as waqf operators, government officials, and bigger food service operators, would have more comprehension on the questions. Thus, from the participant's perspective, there is not many changes needed to be made, aside from certain technical issues, such as the wording. However, some clarifications for the FGD should be added based on the responds from the participant, such as providing explanation beforehand of the funding, ownership, and organisation framework, as well as the Malaysia Madani framework, and proposing what kind of government support or policies and operational strategies were being asked when implementing the proposed waqf-driven model, especially for the B40 group and small business food service operators. The participant also provided the expertise in some grammar mistakes that can be changed to better understand the questions.

For the second participant, since the participant is not proficient in English, a translated questions into Bahasa Malaysia was prepared for a clearer grasp from the participant. During the sessions, many words were rephrased for the participant's better understanding and there were many instances where the wordings were simplified to follow a better flow from the responds of the participant, which the questions were too similar to previous questions or have been answered by the participant before. The participant was not able to answer questions with technical terms, such as government policies, operational strategies, and waqf models, thus, certain words or questions related to them were omitted during the sessions. Most of the questions were not understandable to the participant, not being versed in the academic world and can only answer according to the participant's limits. Also being a B40 group, with no stable income and having a household threshold income below RM5,249 per month, the participant's insights were valuable for the FGD session as the responds convey both for the B40 group and the food service operator group.

Some of the challenges faced in the pilot testing for both sessions were in providing clearer understanding of the questions and the purpose of the study for a better clarification on the participants' part. Some moderating techniques are also needed to

improve in conducting a much bigger group of FGD and handling a one-on-one session with the interviewees. Finding relevant and wide range of FGD participants and interviewees should be carefully selected to provide more inclusive inputs and wider views on the proposed waqf-driven model. Having insights from various minds and given needed suggestions would make the proposed waqf model more comprehensive for the betterment of the society and helping the B40 group in line with the Malaysia Madani framework. The next step would be in refining the questions and providing clearer explanations for the participants before starting the sessions. Then would be in finding the right participants, understanding the various groups that would be relevant to the study, and outlining the needed forms to conduct the qualitative sessions.

### *Survey questionnaire*

A quantitative survey titled “Evaluating Challenges and Potentials of a Waqf-Driven Model for Sustainable Food Service Operations in Malaysia Madani Framework” was distributed to respondents from 6 June 2025 to 22 June 2025. The pilot survey was conducted over a period of 17 days (6 – 22 June 2025). Thirty-two respondents answered the survey with only two of them are food service operators while 29 of them responded as consumers. Quite a few of the respondents provided their comments and feedback on the survey. The method of this pilot survey is quantitative, using convenience and snowball sampling techniques around the area of Gombak, Selangor, specifically for-profit food service operators, and possible B40 consumers. The survey consisted of seven segments. The first is the introduction of the survey, the second explores the demographic of the respondents, the third is the screening branch to separate food service operators and regular consumers, the fourth focuses on food service operators on their opinions on funding, ownerships, and operations, the fifth delves into the respondents' views on eating outside of home as a consumer, the sixth examines the respondents' knowledge and literacy on waqf, and the last segment addresses their attitudes toward the food service transformation waqf-driven model.

The questions consisted of open-ended questions (e.g. multiple-choice questions, Likert scales) and closed-ended questions (e.g. short answers descriptive questions, long answers suggestion questions). Section A, after the introduction page, consisted of 12 questions on demographics. Section B, after the Screening Branch of either being a business owner or not, are divided into two parts: the first part is a general overview of the business owner, having 8 questions, and the second part is on the food service transformation waqf-driven model, with 7 questions. Section C is the consumer module on eating outside of home, consisted of three parts: the first is the general description of the consumer with 5 questions, the second is the views on commercial food services with 11 questions, and the third is the views on non-commercial food services with 10 questions. Section D contains 10 questions on waqf knowledge and literacy, while the last section, Section E, comprises of 10 questions on consumers attitude towards the transformative waqf-driven model. In order to better grasped the understanding of the respondents in terms of clarity, relevancy, and applicability of the survey, as well as the appropriate timing in answering the survey, respondents were asked several questions. The questions were on their understanding of the survey's content, the completion timing, the issues in the survey that needs improvement, and their suggestions and comments on the survey. Out of 32 respondents, only 11 respondents provided their overview of the survey. The other 19 respondents did not reply or expressed their comments or feedback on the survey.

The first question that was asked is on whether they understood the survey. The majority of respondents responded they do understand the content of the survey, while only one respondent replied that they understood the survey, but it still needs improvement. The second question is on the approximate time they took to complete the survey. On average, the respondents took around 11-15 minutes to complete the survey, with 5 respondents saying as such, while 3 respondents said they took less than 10 minutes, and another 3 respondents said it took them 16-20 minutes to finish answering the survey. The third question is their perceived issues on the survey that they found could better yet be improved. Most of the respondents found the survey is poorly worded with confusing questions. While some finds the survey to be too long. Other comments include the survey lacks consistency and have poor flow, as well as the questions lacking in validity. The last question is on respondents' comments and feedback of the survey. While some respondents provide no comments and one respondent found the survey to be clear and well-structured, there are quite a number provided their insights for better improvement. One respondent commented for the survey to include a mix of question types. Another respondent asked if the survey is just for students, and if for the public, commented that some people have never received free food unless they are from the surau or mosque, or from their neighbours or community, making some questions are unsuitable for some respondents to be asked when comparing free food to purchased food. Aside from that, another respondent remarked on not understanding much on the concepts of commercial and non-commercial food services, on whether they are supposed to support commercial food services or not, or just waqf. Furthermore, one respondent suggested to make the questions much simpler to be read for a layperson to understand and answer them better. A different respondent noted several aspects for improvement: (1) make the survey clearer and with simple language, (2) must have balanced between qualitative and quantitative questions, and (3) segment the survey for clarity.

The feedback from the respondents provided the needed clarification and guidance in improving the survey. They provided their insights especially in constructing a survey that the public could best understand. According to the respondents' comments and feedback, there are a lot of areas that needed to be improved, especially on the wording (e.g. simple but clearer), clarity (e.g. the concept of commercial and non-commercial must be clearly conveyed for the public's better understanding), applicability (e.g. target appropriate population), and relevancy (e.g. questions should be simpler for a layperson to read). Overall, the respondents have provided valuable comments in order to further develop the survey in moving forward. Furthermore, their feedback is also significant in discerning whether the variables conveyed in the survey align is understandable to the objectives of the study. They also provided valuable input for the total timing of the survey, with the average being 10-15 minutes. The approximate timing can be changed in the survey's introduction to make it more practical. Another enlightening feedback is for the wording to be simpler but clearer. This would be helpful in improving the wording for each section as to not make it too long but understandable. Thus, in order to address the issues identified by the respondents, necessary refinements are needed to provide rigor and coherency to the content and structure of the survey.

## **Results and Discussion**

### ***Food service operators' perspectives***

The findings from the perspectives of the food service operators are based on the qualitative approaches of Focus Group Discussion (FGD) and interview, as well as quantitative approach using survey instrument.

### ***Qualitative approaches***

For the qualitative methods, the questions are divided into four themes: (1) food service industry (commercial and non-commercial); (2) challenges faced by the proposed waqf-driven model; (3) suggestions in improving the proposed waqf-driven model; and (4) government support or policy implications and operational strategies in implementing the proposed waqf-driven model. For the first theme, both participants found changes in food prices influence the food service industry, especially with rising costs and price instability. One participant stated:

*“the current situations are quite concerning as the economy is affecting every layer of the society even moreso those from B40 group. Nonstable food prices effects both commercial and non-commercial food services, thus burdening with high budget and eventually burdening buyers. Buying staple foods like eggs have become quite difficult to manage”*

Similarly, another participant explained that with the current economic situation, B40 group are not able to afford high prices and prefer to cook for themselves. Even when they do buy, they only buy in small amounts. Another challenge is how the rise in food prices causes their profits and savings to be on the decline compared to a few years before. The participant highlighted:

*“last year (2024), we felt prices went up three times, this year (2025) they already increased twice. How can we keep up? Costs are very high; we can't raise prices because some customers can't afford it... Profits aren't big either. We used to make profits at 30%, now it's maybe around 10%. This year we felt the worst; we haven't saved any money at all (compared to before)”*

Concerning the second theme, both participants did not identify any challenges when transforming the proposed waqf-driven model from a commercial to a non-commercial food service entity. One participant perceived that if the proposed waqf model is always continuous even with providing affordable meals to customers and a slow start, if the model is constantly active and ongoing, it ensures the sustainability of the model. The other participants noted that:

*“This helps both parties (food service operators and customers) as the burden is lessen with government intervention and initiatives, this eases the burden for food services to provide good quality services and not to think much on the costs, which in turn reduces the burden on buyers”*

Based on the third theme, in terms of improving the proposed waqf model, one participant highlighted the importance of first formulating a plan to help those in need to show efforts are taking place.

*“this shows that the government are concerned and are taking initiatives to help, to explore new and unique problems faced by the society”*

Another participant stated the need for continuous operations, not just one-offs. This helps food operators in circulating their capital and lessening the burden of their costs. The participant also mentioned that current food costs are now higher, keeping a price of RM5 per meal is no longer viable to the current economy. With meals ranging around RM10, setting the price at RM7-7.50 provides more reasonable profits for food service operators. This helps sustain their business operations and supports customers with access to affordable meals. Lastly, for the fourth theme, one participant emphasised the need for the government to device planning that address the issues faced by food services. For example, focusing on local farmers with little reliance on import goods in supporting the food service industry. This ensures fresh supplies and reasonable prices which benefit both industries. The other participant agreed that if there are any government initiatives or efforts from waqf institutions, the participant will support them especially if they help B40 food service operators like them.

*“If there is a government agency or waqf institution, when they want to help, they think about how to assist the people... they find (and help) business owners like those in the B40 group, so that they can provide relief (and aid) to the B40 group”*

### ***Quantitative approach***

The quantitative method employed a survey to capture the opinions of food service operators regarding the proposed waqf model on food services. Only two food service operators answered the survey questions. This segment will only touch on Section B of the survey on the food services module operator of funds, ownerships, and operations. The respondents were first asked on what type of food services they operate; one of them operates a café, while another a kiosk. Both operators have been operating for less than three years, but only one of them provided an answer regarding their estimated annual revenue turnover being less than RM30,000. One respondent answered working alone, while another respondent has 2-5 workers. Both respondents answered that they fund their businesses through their own savings. Respondents were then asked whether they suffered from high operating costs before or after the COVID-19 pandemic; one answered slightly burdensome, while another felt neutral or moderately burdensome. The latter has only been in operation for less than one year. When asked how they handled the current high operation costs, one respondent mentioned by making their own ingredients, while another respondent answered through selling various types of food. Additionally, one respondent cited business co-owner(s) or partner(s) and delivery platform (e.g. GrabFood, FoodPanda) as their food service stakeholders, while another respondent stated supplier(s) and customers (e.g. loyalty programmes, subscription packages) as their stakeholders.

The second portion of Section B, which asked the operators their perspectives on the proposed Food Service Transformation Waqf-Driven Model, only one respondent out of the two answered the questions. The results found that the respondent is willing to change their business model and transform their food establishment based on waqf from a commercial food service to a non-commercial entity if given a chance. The respondent also agreed that the change would help decrease the costs incurred to commercial food services in general due to the current higher costs of food, as well as their current

operating costs. Furthermore, the respondent agreed that there exist benefits in applying this waqf-driven model. When asked about their perceived views on the benefits of cost stability after applying the proposed model, the respondent agreed that the model helps improve their business financial planning, allows better allocation of resources, and reduces potential risks in their business. Similarly, the respondent also agreed on the benefits of community goodwill after applying this model that fosters social welfare to the community, enhances business support and effectively responds to community needs, and contributes to sustainable and positive relationship between food service businesses and the community. Lastly, the respondent agreed that their perceived benefits of tax incentives after applying this model provides sustainable business growth and development to food services, helps food service businesses reduce costs, and encourage innovation and investment to food service businesses through tax incentives.

### *Consumers' perspectives*

The consumers' perspectives were solely captured through the survey instrument. The views of consumers also included the perspectives of food service operators, which makes the survey respondents to be 32 in total.

### *Demographic information*

The respondents of this survey are mostly male and are of a variety of age range, highlighting different perspectives from different generations. Additionally, majority of the respondents have an educational background from bachelor's degrees, all are Muslims, and most of them are employed full-time. Moreover, most of the respondents have more than 4 people in their households as a majority of them are married. Furthermore, a majority of the respondents' household income are around RM2,560-RM5,249, while many spend more than RM300 per month on food service expenditure. The survey also shows most of the respondents are from urban living areas. *Table 2* demonstrates the demographic information of the respondents from the survey.

**Table 2.** *Survey demographic information.*

Category	Sub-category	N	%
Gender	Male	21	65.6%
	Female	10	31.3%
	Prefer not to say	1	3.1%
Age	18 - 24	2	6.3%
	25 - 29	4	12.5%
	30 - 34	6	18.8%
	35 - 39	7	21.9%
	40 - 44	4	12.5%
	45 - 49	2	6.3%
	50 - 54	2	6.3%
	55 - 59	2	6.3%
	60 or above	3	9.4%
Highest Education Level	Secondary School (Form 1-5)	1	3.1%
	Higher Education (Diploma / Associate)	4	12.5%
	Higher Education (Bachelor)	19	59.4%
	Postgraduate Education (Master / PhD)	8	25%
Religion	Muslim	32	100%
Employment Status	Unemployed	3	9.4%
	Self-employed	4	12.5%
	Employed Full-time	19	59.4%
	Employed Part-time / Gig-worker	1	3.1%
	Not in the Labour Force (e.g. housemaker / retired / student)	5	15.6%
Number of People in Your Household (including yourself)	1	1	3.1%
	2	4	12.5%
	3	2	6.3%

	4	8	25%
	5	9	28.1%
	6 or more	8	25%
Estimated Household Income Per Month	Less than RM2,560	2	6.3%
	RM2,560 - RM5,249	11	34.3%
	RM5,250 - RM7,689	5	15.6%
	RM7,690 - RM11,819	4	12.5%
	RM11,820 - RM15,869	2	6.3%
	RM15,870 or more	8	25%
Estimated Total Household Food Service Expenditure Per Month	Less than RM300	8	25%
	RM301 - RM600	11	34.3%
	RM601 - RM900	1	3.2%
	RM901 or more	11	34.3%
	Not responded	1	3.2%
Current Living Area	Urban	23	71.9%
	Suburban/Small town	5	15.6%
	Rural	3	9.4%
	Others	1	3.1%

### ***Consumer module (Eating outside of home)***

The next segment highlights the consumer module on eating outside of home. Most of the respondents (37.5%) eat outside of home 1-5 times per month, followed by more than 20 times per month with 28.1%, 6-10 times per month (21.9%), 11-15 times per month (9.4%), and 16-20 times per month (3.1%). Furthermore, most of the respondents found work or school schedule (e.g. long hours, short lunch breaks, limited time to cook) to be the cause of eating outside of home with 56.3%, followed by save time (e.g. busy schedules, faster than cooking, quick meals) and social occasions (e.g. family outings, meeting friends, business meetings) with 46.9%, respectively, then convenience (e.g. near location, easy access, few chores) with 34.4%, wide selection of food (e.g. multiple menu options, different portion sizes) with 21.9%, cheaper (e.g. promotions/discounts, budget set meals, saves cooking expenses) with 12.5%, and other reasons being 6.2%. Most of the respondents eat-outside about the same in monthly expenditures compared to 12 months ago. When comparing commercial and non-commercial food services spending habits, most respondents visit commercial food services around 1-3 times a month, while less than once a month for non-commercial food services. In terms of visiting establishments, most respondents visit restaurants, cafés or coffee shops, and street food stalls for commercial food services, while for non-commercial food services, respondents mostly visit establishments from workplace cafeterias, educational cafeterias, and healthcare or governmental cafeterias. The responds also indicated that commercial food services are slightly more expensive than non-commercial food services. Furthermore, the majority reported food and service quality to be the main factors that influence the respondents to visits or purchases from a commercial food service outlet, followed by halal, food safety, venue design and comfortable atmosphere, price, and brand. For non-commercial food services, most respondents indicated that price is the main factor that influences their visits or purchases to the establishments, followed by food and service quality, halal, venue design and comfortable atmosphere, food safety, and brand.

### ***Waqf knowledge and literacy***

The survey indicates that the majority of the respondents are aware of the concept of waqf. Most respondents know the difference between waqf and other Islamic social finances (e.g. zakat and sadaqah). Furthermore, half of the respondents know how to participate in a waqf contribution, and more than half have participated in giving waqf.

The types of waqf they have heard of are mostly property waqf, cash waqf, and education waqf. Additionally, quite a number of respondents intended to contribute to waqf initiatives, and if given a chance, more than half indicated that they would likely (46.9%) and very likely (21.9%) participate in a food service waqf initiative, providing positive outcomes in the waqf initiatives for the food service industry. Their reasonings for wanting to participate in a waqf food service initiative are mostly because of religious belief or obligation and interest to help the community.

### *Attitudes toward transformation*

According to the survey, most respondents (43.8%) felt neutral in thinking there is a need to shift from a commercial food service model to a non-commercial food service model, while 40.6% agree with the transformation. In comparison with this, most respondents believe this transformation using a waqf-driven model would help the B40 group in lessening their burden. Furthermore, the majority of respondents are willing to support the transformation of commercial to non-commercial food services using a waqf-driven model. Many respondents are also likely to tell their friends or people they know or in promoting to social media the idea of a waqf-driven model that transforms a commercial into a non-commercial food service entity. In addition, most respondents also felt confident that sufficient guidance and resources are available to implement the waqf model. Many respondents believe that different stakeholders would support the transformation objective of this model, including most people they know, investors or waqf contributors, government bodies, food service operators, and the public. Apart from this, most respondents found difficulty in securing consistent and sufficient funds, unclear management rights and responsibility, legal ambiguity and inconsistent waqf regulation, complex organisational structure, and conflict among stakeholders, to be the challenges the model might face during implementation. Moreover, among the many suggestions for government policies or support that can contribute to strengthening the model are fundings from big companies or high-income earners, social media promotion and public awareness, tax incentives and regulatory support for waqf-based food initiatives, integration between waqf and social enterprise framework, integration of waqf food services to public institutions, capacity building and Public-Private Partnerships (PPP), and enhance support for B40 group, and widening the role of religious agencies and caretakers to take part in the model.

According to the survey, among the suggestions for waqf or food service operations to help in improving the model are proper management, optimised utilisation and sustainable model, hybrid model with paid and subsidised free meals, collaborations with different stakeholders (e.g. local farms and suppliers) to optimize costs and resources, partnership with culinary schools or training centres for internships, training, or manpower support for B40 group, integration of internet of things (IOT), more research to provide clearer implementation, government monitoring especially religious bodies for follow-up routines, consistency, establishment of waqf-based central kitchens for economies of scale, and institutional cafeteria based on waqf. In improving the model, among the suggestions are promotion and awareness to public, engage with local community, conduct more studies for clearer implementation, securing food through halal certification, marketing with well-known brand, no harm to existing operators, develop an integrated waqf-food ecosystem, professionalise management and governance, foster technology and innovation, collaboration through social enterprise, and cheaper and affordable meals.

## Conclusion

This study set out to examine whether a waqf-driven model could serve as a sustainable and community-centred mechanism for improving access to affordable, nutritious meals among Malaysia's B40 population. Guided by the research questions, the proposed model integrates waqf financing with not-for-profit food service operations to address rising living costs, nutritional gaps, and affordability challenges faced by low-income households. The findings from the qualitative FGDs and interviews confirm strong conceptual support for such a model: stakeholders consistently emphasised the need for a perpetual, mission-driven financing structure that reduces cost pressures on food operators while ensuring balanced meals for vulnerable consumers. Likewise, the quantitative pilot survey indicates that both B40 consumers and food service operators perceive waqf-supported food services as feasible, provided that service quality, affordability, and nutritional value are prioritised. The empirical insights also reveal several operational considerations. Participants highlighted the importance of clear terminology, structured communication, and stakeholder-specific explanations when introducing the model. Survey respondents further underscored the need for simplified questionnaires, clearer definitions (e.g., commercial vs non-commercial food services), and improved flow to enhance comprehension. These findings directly inform the refinement of the model's implementation strategy and demonstrate the value of combining qualitative and quantitative data.

Despite its potential, the study has several limitations. First, the empirical component is based on small-scale pilot testing, which limits generalisability. Second, the study examines perceptions rather than actual behavioural or operational outcomes, as a full implementation of the waqf-driven model has not yet been conducted. Third, the model is conceptual and may require adaptation to different regulatory environments, governance capacities, or institutional actors. Finally, the reliance on self-reported data introduces possible response biases that should be addressed in future large-scale studies. Future research should build on these limitations by conducting (i) full-scale field experiments or pilot implementations in selected food service outlets or community kitchens; (ii) cost-benefit and financial sustainability analyses of waqf-supported operations; (iii) governance studies examining how waqf institutions, regulators, and food operators can collaborate effectively; and (iv) longitudinal studies assessing the long-term socioeconomic and nutritional impact on B40 households. Comparative studies with international waqf-based social service models may also provide deeper insights into scalability and best practices. In sum, this study contributes to the emerging literature on Islamic social finance by offering an evidence-informed, conceptual framework for a waqf-driven food service model that can support Malaysia's Madani agenda. The combination of qualitative and quantitative findings strengthens the model's practical relevance and provides a foundation for subsequent implementation and policy development aimed at enhancing food security and social well-being among Malaysia's vulnerable communities.

## Acknowledgement

This research is self-funded.

## Conflict of interest

The authors confirm that there is no conflict of interest involve with any parties in this research study.

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