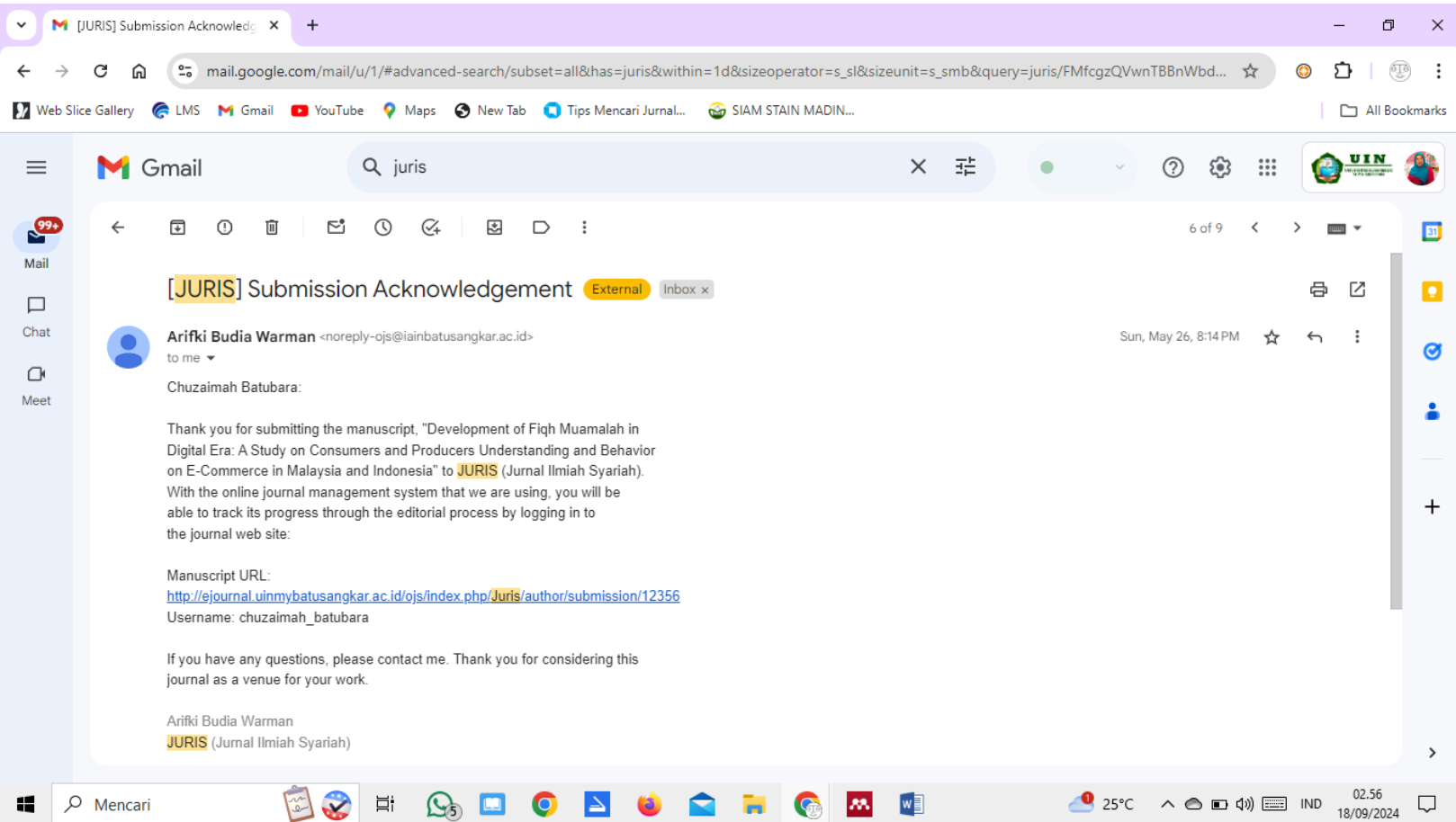


Bukti Korespondensi

“Realizing Justice and Maşlahah in E-Commerce: Fiqh Muamalah Insights and Challenges in Malaysia and Indonesia”

By: *Chuzaimah Batubara*

1. Naskah Submit (26 Mei 2024)



The screenshot shows a Gmail interface on a desktop browser. The email subject is "[JURIS] Submission Acknowledgement" and it is marked as "External" and "Inbox". The sender is Arifki Budia Warman, with the email address noreply-ojs@iainbatusangkar.ac.id. The email is dated Sun, May 26, 8:14 PM. The body of the email contains the following text:

Chuzaimah Batubara:

Thank you for submitting the manuscript, "Development of Fiqh Muamalah in Digital Era: A Study on Consumers and Producers Understanding and Behavior on E-Commerce in Malaysia and Indonesia" to JURIS (Jurnal Ilmiah Syariah). With the online journal management system that we are using, you will be able to track its progress through the editorial process by logging in to the journal web site.

Manuscript URL:
<http://ejournal.uinmybatusangkar.ac.id/ojs/index.php/Juris/author/submission/12356>

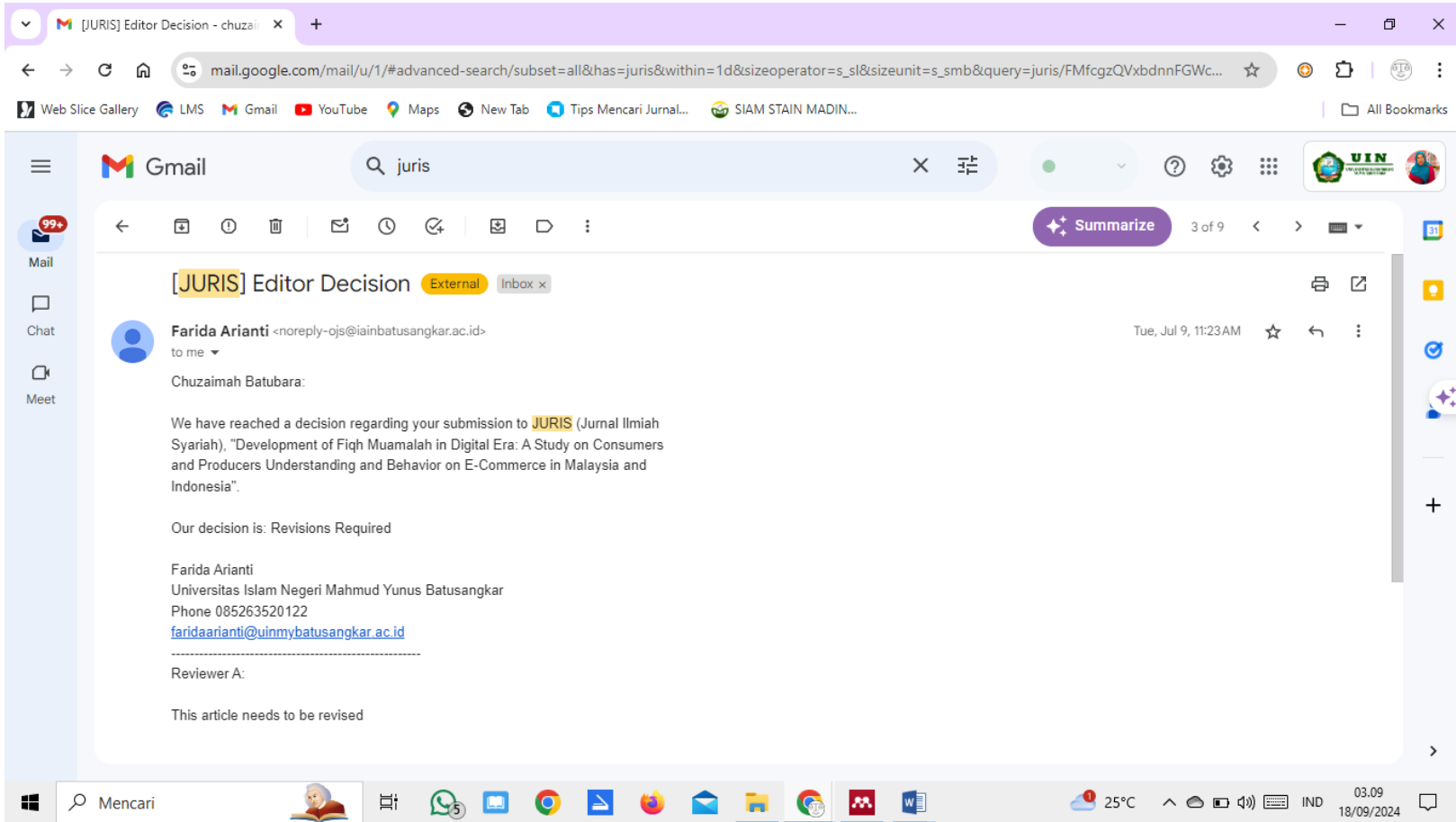
Username: chuzaimah_batubara

If you have any questions, please contact me. Thank you for considering this journal as a venue for your work.

Arifki Budia Warman
JURIS (Jurnal Ilmiah Syariah)

The browser's address bar shows the URL: mail.google.com/mail/u/1/#advanced-search/subset=all&has=juris&within=1d&sizeoperator=s_sl&sizeunit=s_smb&query=juris/FMfcgzQVwnTBnWbd... The taskbar at the bottom shows various application icons, including WhatsApp, Telegram, Chrome, and Word, along with system information like 25°C, 02:56, and 18/09/2024.

2. Proses Review ke-1 (26 Mei-09 Juli 2024)



[JURIS] Editor Decision External Inbox x

Farida Arianti <noreply-ojs@iainbatungkar.ac.id> to me

Chuzaimah Batubara:

We have reached a decision regarding your submission to **JURIS** (Jurnal Ilmiah Syariah), "Development of Fiqh Muamalah in Digital Era: A Study on Consumers and Producers Understanding and Behavior on E-Commerce in Malaysia and Indonesia".

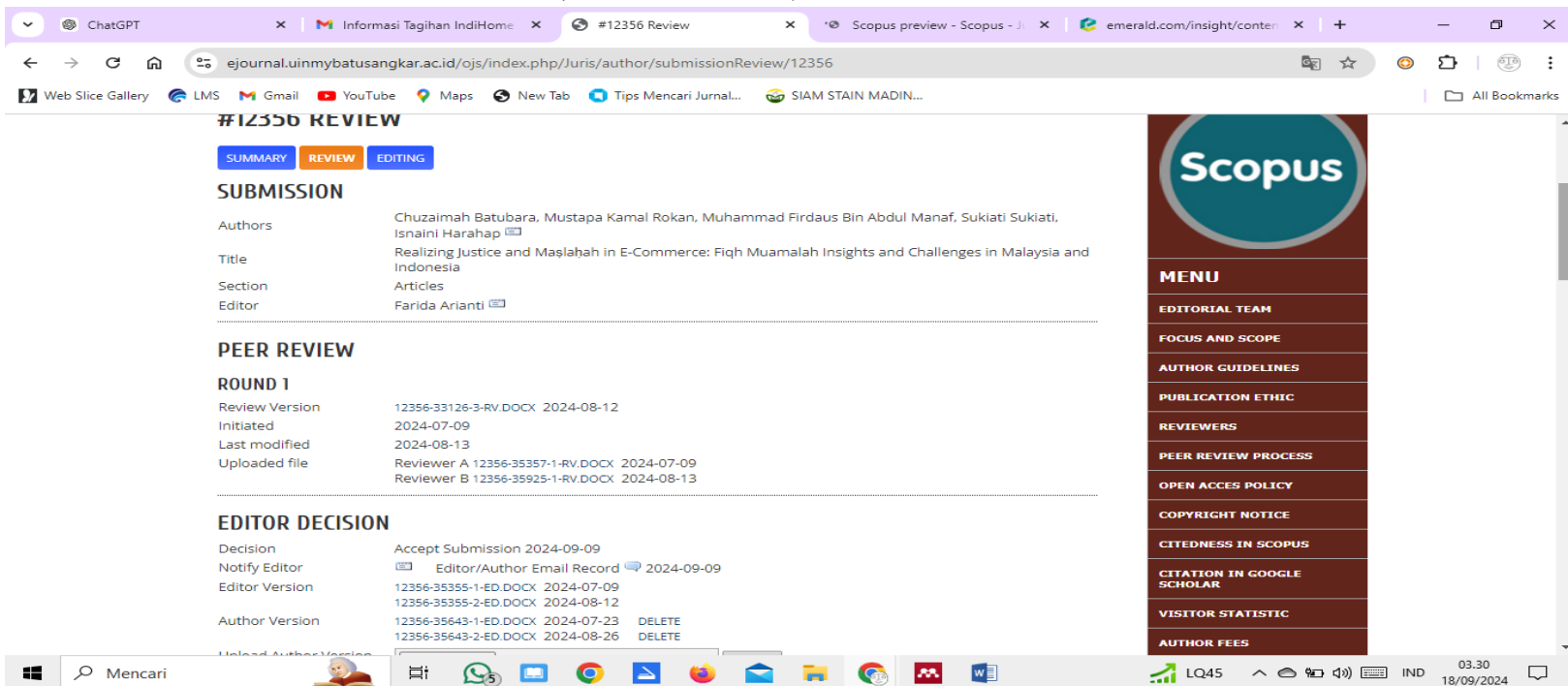
Our decision is: Revisions Required

Farida Arianti
Universitas Islam Negeri Mahmud Yunus Batusangkar
Phone 085263520122
faridaarianti@uinmybatusangkar.ac.id

Reviewer A:

This article needs to be revised

3. Proses Revisi ke 1 (09-23 Juli 2024)



#12356 REVIEW

SUMMARY REVIEW EDITING

SUBMISSION

Authors Chuzaimah Batubara, Mustapa Kamal Rokan, Muhammad Firdaus Bin Abdul Manaf, Sukiati Sukiati, Isnaini Harahap

Title Realizing Justice and Maslahah in E-Commerce: Fiqh Muamalah Insights and Challenges in Malaysia and Indonesia

Section Articles

Editor Farida Arianti

PEER REVIEW

ROUND 1

Review Version	2024-08-12
Initiated	2024-07-09
Last modified	2024-08-13
Uploaded file	Reviewer A 12356-35357-1-RV.DOCX 2024-07-09 Reviewer B 12356-35925-1-RV.DOCX 2024-08-13

EDITOR DECISION

Decision	Accept Submission 2024-09-09
Notify Editor	Editor/Author Email Record 2024-09-09
Editor Version	12356-35355-1-ED.DOCX 2024-07-09 12356-35355-2-ED.DOCX 2024-08-12
Author Version	12356-35643-1-ED.DOCX 2024-07-23 DELETE 12356-35643-2-ED.DOCX 2024-08-26 DELETE

Scopus

MENU

- EDITORIAL TEAM
- FOCUS AND SCOPE
- AUTHOR GUIDELINES
- PUBLICATION ETHIC
- REVIEWERS
- PEER REVIEW PROCESS
- OPEN ACCESS POLICY
- COPYRIGHT NOTICE
- CITEDNESS IN SCOPUS
- CITATION IN GOOGLE SCHOLAR
- VISITOR STATISTIC
- AUTHOR FEES

4. Proses Review ke 2 (23 Juli 2024-13 Agustus 2024)

The screenshot shows a Gmail interface with a search bar containing "juris". The email is from Farida Arianti, dated August 13, 2024, at 3:10 PM. The subject is "[JURIS] Editor Decision". The email content states that a decision has been reached regarding the submission to JURIS (Jurnal Ilmiah Syariah), "Development of Fiqh Muamalah in Digital Era: A Study on Consumers and Producers Understanding and Behavior on E-Commerce in Malaysia and Indonesia". The decision is "Revisions Required". The reviewer's name is "Reviewer B" and the comment is "this article needs revision, please see comments on the manuscript".

6. Proses Revisi ke-2 (13-26 Agustus 2024)

The screenshot shows the Scopus submission review page for article #12356. The page is titled "#12356 REVIEW" and has tabs for "SUMMARY", "REVIEW", and "EDITING". The "SUBMISSION" section lists the authors (Chuzaimah Batubara, Mustapa Kamal Rokan, Muhammad Firdaus Bin Abdul Manaf, Sukiati Sukiati, Isnaini Harahap), the title ("Realizing Justice and Maslahah in E-Commerce: Fiqh Muamalah Insights and Challenges in Malaysia and Indonesia"), the section ("Articles"), and the editor ("Farida Arianti"). The "PEER REVIEW" section shows "ROUND 1" with a table of review versions and dates. The "EDITOR DECISION" section shows a decision to "Accept Submission" on 2024-09-09.

Review Version	File Name	Date
12356-33126-3-RV.DOCX		2024-08-12
12356-35355-1-ED.DOCX		2024-07-09
12356-35355-2-ED.DOCX		2024-08-12
12356-35643-1-ED.DOCX		2024-07-23
12356-35643-2-ED.DOCX		2024-08-26

Decision	Date
Accept Submission	2024-09-09

7. Naskah Diterima/ Accept Submission (9 September 2024)

The screenshot shows a Gmail interface with a search bar containing "juris". The email is titled "[JURIS] Editor Decision" and is marked as "External" and "Inbox". The sender is Farida Arianti, with the email address <noreply-ojs@iainbatusangkar.ac.id>. The email content reads: "We have reached a decision regarding your submission to JURIS (Jurnal Ilmiah Syariah), 'Justice and Mashlahah in E-Commerce: Fiqh Muamalah Insights and Challenges in Malaysia and Indonesia'. Our decision is to: Accept Submission". The sender's contact information is provided: Farida Arianti, Universitas Islam Negeri Mahmud Yunus Batusangkar, Phone 085263520122, and email faridaarianti@uinmybatusangkar.ac.id. A link to the journal website is also included: <http://ejournal.uinmybatusangkar.ac.id/ojs/index.php/Juris>. The email was received on Monday, September 9, 7:39 PM (9 days ago). The interface includes standard Gmail navigation and action buttons like Reply, Forward, and Instant reply.

8. Naskah Publish (11 September 2024)

The screenshot displays the website for JURIS (Jurnal Ilmiah Syariah). The page features a prominent header with the journal's name in large, stylized yellow Arabic calligraphy on a dark red background. Below the header is a navigation menu with links: HOME, ABOUT, USER HOME, SEARCH, CURRENT, ARCHIVES, and ANNOUNCEMENTS. The article title is "REALIZING JUSTICE AND MAŞLAĤAH IN E-COMMERCE: FIGH MUAMALAH INSIGHTS AND CHALLENGES IN MALAYSIA AND INDONESIA". The authors listed are Chuzaimah Batubara, Mustapa Kamal Rokan, Muhammad Firdaus Bin Abdul Manaf, Sukiati Sukiati, and Isnaini Harahap. The article is indexed by Scopus, as indicated by the Scopus logo and the text "INDEXED BY: Scopus". A "MENU" section is visible on the right side of the page, containing links for "EDITORIAL TEAM" and "FOCUS AND SCOPE". The abstract section begins with the text: "This study explores how *fiqh muamalah* principles can realise justice and *maşlahah* in e-commerce practices, focusing on the understanding and behavior of consumers and producers in Malaysia and Indonesia. The research investigates how these Islamic legal principles are integrated and practised within the digital marketplace. The primary data sources include e-commerce users from Malaysia and Indonesia, specifically consumers and producers. Data were collected through in-depth interviews with various e-commerce users, including consumers and producers. The results reveal that producers generally have a higher awareness of". The website is viewed in a browser window with a Windows taskbar at the bottom showing the time as 03:47 on 18/09/2024.

Lampiran-lampiran:

- 1. Naskah Submite**
- 2. Naskah Revisi 1**
- 3. Naskah Revisi 2**
- 4. Naskah Terbit**

1. Naskah Submite

Development of *Fiqh Muamalah* in Digital Era: A Study on Consumers and Producers Understanding and Behavior on E-Commerce in Malaysia and Indonesia

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| *Recieved: 13-07-2022* || *Revised: 15-09-2022* | *Accepted: 12-10-2022*

Abstract: The study delves into the evolution of *Fiqh Muamalah* within the burgeoning realm of e-commerce in Malaysia and Indonesia. Through a detailed analysis of consumer and producer behaviors, it explores how Islamic principles are understood, applied, and adapted in online marketplaces. Utilizing a mixed-methods approach, encompassing both quantitative and qualitative methodologies, the research provides insights into the intricate interplay between Islamic legal principles and contemporary e-commerce practices. It highlights the challenges and opportunities in aligning modern e-commerce modalities with traditional Islamic legal frameworks, emphasizing the need for enhanced education and tailored marketing strategies to address consumer understanding disparities and divergent behaviors between the two countries, influenced by cultural, regulatory, and technological factors. Ultimately, the study advocates for addressing these challenges while leveraging innovative technological solutions to harmonize e-commerce practices with enduring Islamic ethical precepts, thereby fostering sustainable economic growth and societal well-being in the dynamic landscape of the digital age.

Keywords: *Fiqh Muamalah*, e-commerce, Islamic principles, consumer behavior, producer behavior

Introduction

Over the past few decades, digital technology has fundamentally transformed the way we interact with the world, including in economic matters. This phenomenon has ushered in a new economic paradigm, where increasingly more transactions and economic interactions occur digitally. In this context, the development of *Fiqh Muamalah*, which is part of Islamic law governing economic transactions, becomes crucial to adapt to the rapidly evolving digital era. Indonesia's e-commerce sector experiences rapid growth, according to a British research institute (Nofrizal et al., 2023). By 2023, global online clothing sales are expected to contribute 600 billion USD, representing 27% of global fashion retail (Statista, 2024). Indonesian e-commerce revenue is projected to reach 62.59 billion USD in 2022, with 221 million users by 2025 (Statista, 2022). The Indonesian e-commerce market is anticipated to grow by 42% between 2012 and 2022, surpassing other nations like Malaysia, Thailand, and the Philippines. Tokopedia and Shopee control the majority of the Indonesian e-commerce market, with 35% and 34% respectively. However, many startups worldwide and in Indonesia face potential bankruptcy and employee cuts post-COVID-19 recovery (Nofrizal et al., 2023). Survey Results Confirm Rapid Shift in Customer Interaction with Digital Channels. On average, 58% of customer interactions worldwide after the COVID-19 pandemic are digital compared to 36% during the pre-pandemic period, now even reaching 80%. One opportunity that can be leveraged from the digital economy is assisting in accelerating Indonesian businesses through empowering Micro, Small, and Medium Enterprises (MSMEs) and the development of the Islamic economy. Indonesia has nearly 64 million MSMEs in its economy. They contribute 97% of the country's workforce and account for more than 60% of GDP (Kemenkeu, 2022).

According to the East Ventures Digital Competitiveness Index (EV-DCI) 2022 report, the national digital competitiveness score continues to increase, reaching 35.2, from 32.0 (2021) and 27.9 (2020). This score is derived from the median of scores from 34 provinces, indicating varying score gaps among provinces. Based on the EV-DCI 2022 report, three sub-indices are formed from nine pillars. The first sub-index, input, comprises three pillars: human resources, information and communication technology (ICT) usage, and ICT expenditure. The second sub-index, output, includes economic, entrepreneurship, productivity, and labor force pillars. Lastly, the supporting sub-index covers infrastructure, finance, as well as regulation, and local government capacity (Katadata, 2022). Digital Transformation in the economy also brings about changes in economic behavior patterns as the growth of digital technology has altered consumer shopping habits, producers marketing their products, and other economic actors interacting. As a result, the public increasingly tends to conduct transactions online through e-commerce platforms, digital banking applications, and other financial technologies.

From the data above, we can observe that the e-commerce sector is estimated to be worth IDR 883 trillion in 2022, accounting for 77% of the total digital economy. It grew by 22% compared to the previous year. Transportation and food services contribute the second largest share with a value of IDR 115 trillion, or 11% of the 2022 digital economy. This value increased by 33% compared to before the pandemic. Online media holds the third position among digital services with a value of IDR 103 trillion, contributing 8% to the total digital economy in 2022. This value is more than doubled compared to 2020. The last service is online travel, which is estimated to reach a value of IDR 46 trillion, or 4% of the total digital economy (Kompas, 2023). Thus, it can be understood that the digital transformation in the economic sector has a highly significant impact, causing changes in economic behavior. Although digitalization offers numerous benefits for businesses and the economy, it also presents challenges that need to be addressed. Firstly, the lack of digital literacy remains a major concern for all of us. Second, countries must ensure digital literacy equality among their citizens. Additionally, there are other

economic digital challenges such as cybersecurity, human resources, internet access, and regulation that need to be resolved.

Nationally, Indonesian law already supports an Islamic economy. As technology continues to advance, so does the evolution of *fiqh* (Islamic jurisprudence) in accordance with the changing times. It can be observed that Islamic finance, such as Islamic banking, insurance, capital markets, *sukuk* (Islamic bonds), and even digital charitable endowments (*waqf*) have been implemented online (Sukiati et al., 2023). Furthermore, not only in the economic sphere but also in the fashion industry, Muslim fashion is increasingly developing in terms of production and consumer aspects. Similarly, Islamic tourism must be regulated within *Fiqh Muamalah* (Islamic transactional jurisprudence), addressing the contracts and principles involved to ensure the financial aspects of Islamic tourism align with Islamic teachings. In the context of digital finance, *Fiqh Muamalah* provides guidance on how to conduct electronic transactions with principles of fairness and cleanliness. The concept of *riba* (interest) in *Fiqh Muamalah* emphasizes the importance of avoiding transactions involving interests, which can harm the economically weaker party. This is highly relevant in digital financial products such as online loans and investments, where these principles can help maintain fairness and economic sustainability. E-commerce, as an integral part of the digital era, is also influenced by *Fiqh Muamalah* principles.

At its core, the concept of *muamalah* (transactions) emphasizes transparency, honesty, and fairness in every transaction. In the context of e-commerce, this aspect includes such as accurate product descriptions, fair return policies, and consumer protection. *Fiqh Muamalah* can provide ethical guidance for online business actors to ensure that transactions are conducted with good faith and adherence to high moral standards. Furthermore, the existence of cryptocurrencies as a new form of digital asset also challenges *Fiqh Muamalah* perspectives. Although there are no direct references in classical Islamic sources regarding cryptocurrencies, the principles of *Fiqh Muamalah*, such as fairness, transparency, and ambiguity (*gharar*), can be applied to assess the permissibility of using cryptocurrencies. It is crucial to understand the Islamic legal implications on digital currencies, including aspects like speculation, volatility, and uncertainty. In general, the relevance of *Fiqh Muamalah* in the digital era is not limited to finance, e-commerce, and cryptocurrency but also extends to various everyday aspects affected by technology. Adopting the values and principles of *Fiqh Muamalah* in the digital context can ensure a sustainable and fair economy while creating an ethical and responsible business environment. Therefore, a deep understanding of *Fiqh Muamalah* becomes increasingly important amid the continuous changes in the digital era.

Integrating *Fiqh Muamalah* in the digital era faces numerous challenges and obstacles, some of which include: 1) Changes in Economic Transactions: Digital technology has transformed the way transactions are conducted, such as digital payments, e-commerce, and online investments. This raises questions about how *Fiqh Muamalah* rules can be applied in the context of increasingly complex and diverse transactions. 2) Online Transaction Ethics: The ethics of online transactions have become a crucial concern, including issues of trust (*amanah*) in transactions, fulfilling the requirements of *Fiqh Muamalah*, and addressing other challenges that arise in digital transactions. 3) Legal Framework for Cryptocurrencies: The existence of cryptocurrencies like Bitcoin raises questions about their permissibility, legality, and how to regulate transactions using cryptocurrencies in accordance with the principles of *Fiqh Muamalah*. 4) Changes in Lending and Investment: Fintech has introduced new models of lending and investment, such as peer-to-peer lending and crowdfunding, which require a deep understanding of *Fiqh Muamalah* to determine their permissibility and legality. 5) Consumer Protection: In the digital economy, consumer protection becomes essential. *Fiqh Muamalah* can provide guidance on consumer rights and obligations in online transactions. 6) Technology Use in Sales: The use of technology in sales, such as chatbots or automation of sales processes, raises questions about how *Fiqh Muamalah* rules can be applied in this context. 7) Globalization and Transaction Complexity: With

increasingly complex cross-border transactions, *Fiqh Muamalah* must provide relevant guidance in the context of global economic interdependence. 8) Awareness and Education: The primary challenge is to increase awareness and understanding among the community about the principles of *Fiqh Muamalah* in conducting transactions in an ever-changing digital landscape.

Social scientists have paid considerable attention to those phenomenon with various themes, for instances, Mersi Hayati, et. all (Hayati, 2024) on Islamic jurisprudence on transactions of e-commerce, Chen, et. all., (Chen et al., 2023) on e-commerce live streaming, Dian Sudiantini, et.all (Sudiantini, 2023) on Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" and on the Islamic principles on e-commerce behaviors by Serliana, at.all (Al., 2023); Mirzam Arqy Ahmadi, et. all (Ahmadi & et al, 2023). and Mupida, et. all (Mupida & Mahmadatun, 2021)., also Azam (Azam, 2021), and Suhroji Adha (Adha, 2022). The research is slightly different from those above research. It will focus comprehensively on consumers and producers understanding and behaviors on e-commerce of Muslim fashion products using mixing qualitative and quantitative research approaches with Indonesian and Malaysian cases.

By using the approach, the data findings from the study will address these challenges previously mentioned above and reformulate the development of *Fiqh Muamalah* with the advancements of digital technology. Developing *Fiqh Muamalah* in the Digital Era, is not just about applying existing principles but also about aligning them with the new dynamics in the digital economy. The research is crucial for understanding contemporary economic dynamics and ensuring that economic practices align with Islamic values. Through this research, it is hoped that relevant and sustainable solutions can be found to strengthen the foundation of Islamic economic law in addressing the challenges and opportunities presented by the digital revolution. While E-Commerce is spreading world-wide, many Muslims are wondering whether this new form of commerce is acceptable from the Sharia (Islamic Law) point of view. Thus, this research paper is intended to study the Islamic perspectives in e-commerce, particularly in its transactions, as well as the rights of the producers and customers. Thus, this research is meant to study the Islamic perspectives or *Fiqh Muamalah* principle views in e-commerce, particularly in its transactions, as well as the understanding, behaviors and rights of the producers and customers, specifically there are three research questions, first; how do e-commerce consumers understand and apply the principles of *Fiqh Muamalah* ?, second; how do e-commerce consumer behaviors in Indonesia and Malaysia differ?, third ; What are the challenges faced in applying *Fiqh Muamalah* principles to e-commerce, and how can these challenges be addressed to create opportunities for improvement?.

Literature Review

Research on economic behavior in the digital world (development of Islamic jurisprudence in transactions in the digital era) has been conducted by various researchers, including: Shamim, et. all, studied how social media influencers induce the urge to buy impulsively in social commerce context . This study, based on signaling theory, investigates the impact of Fashion Influencers (FIs) on consumers' impulsive buying (UBI) in social commerce. It focuses on key factors contributing to trust in FIs' branded posts and how persuasion knowledge moderates the trust-UBI relationship. Using PLS-SEM on 452 Pakistani social media users' responses, it was found that trust in FI's posts positively affects UBI. Influencer Credibility (IC), Message Credibility (MC), and Media Credibility (MeC) are significant factors contributing to trust. Persuasion knowledge moderates the trust-UBI relationship, with trust in FI's posts mediating the connection between IC, MC, MeC, and UBI. These findings contribute to the literature and offer valuable insights for fashion marketers to build trust-centric relationships with followers, ultimately boosting UBI in social commerce (Shamim et al., 2024).

Chen, et. all., (Chen et al., 2023)conducted the research on the product uncertainty in live streaming e-commerce from a signal consistency perspective. Drawing from signaling theory and

uncertainty literature, they found that consistent signals can decrease product uncertainty, enhancing consumers' purchase intentions. With a sample of 338 live shoppers, they discovered that anchor-product fit, live content-product fit, and content-product fit negatively impact product quality uncertainty and product fit uncertainty. Self-product fit affects both product quality uncertainty and product fit uncertainty negatively. Product quality uncertainty positively influences product fit uncertainty, and all three uncertainties have significant negative impacts on purchase intention. Further analysis suggests that combining four signal consistency cues and two product uncertainties in three causal configurations can lead to high purchase intention. This research contributes to the existing body of knowledge and offers valuable guidance for e-commerce live streaming sellers and platforms to make strategic decisions.

Another study by Dian Sudiantini, et. all. (Sudiantini, 2023) entitled "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" found that in the era of globalization and digitalization, digital economic transformation has become an increasingly crucial phenomenon affecting almost every aspect of life. On one hand, digital economic transformation can bring positive impacts on global economic growth, enabling business innovations, and enhancing global collaboration. On the other hand, it presents challenges that need to be addressed, such as regulatory issues, insufficient skills and public awareness, and inadequate technological infrastructure.

Mersi Hayati, et. all. (Hayati, 2024), on the other hand stated that Islamic jurisprudence of transactions has evolved in line with technological advances in electronic transactions. The development of Islamic law in the modern era reflects the efforts of scholars and academics to interpret Islamic values so they can be applicable and relevant in new environments. The evolution of Islamic law in financial transactions, particularly with the emergence of contemporary financial instruments, requires comprehensive research to ensure that these changes align with Islamic values and principles of justice. In facing new challenges in the fields of economics and finance, Islamic jurisprudence plays a crucial role. Responses to such changes, such as Islamic banking, Islamic insurance, and technology-based financial transactions, reflect efforts to ensure that Islamic principles remain firmly upheld in an ever-changing environment. In addressing these new challenges, individual rights protection, social justice, and environmental concerns become the primary focus. The reformulation of Islamic jurisprudence of transactions means reinvigorating it to adapt to modern life, allowing the study of Islamic jurisprudence to evolve with the times. To achieve this, various tools and disciplines of Islamic jurisprudence, along with moral principles, are required to ensure that the formulation of Islamic jurisprudence is in accordance with Islamic law and within its framework.

E-commerce behavior has also been a critical and significant issue on the development of *fiqh Muamalah*. Suhroji Adha, for example, in his research entitled "Factors of Consumer Behavior Revolution in the Digital Era: A Literature Review" found that consumer attitudes towards marketing have changed due to the digital revolution. The way consumers search, pay, use, and dispose of products they have purchased after using them reflects changes in consumer behavior. Media consumption habits have also greatly changed, forcing marketers to develop new strategies and find new ways to improve customer attraction. In digital marketing, today's consumers tend to demand more than what they desire in traditional marketing. This is because information technology is rapidly advancing, constantly providing them with a wealth of information. Customers sometimes have more knowledge than marketers due to the abundance of it. Customers lose trust in the messages used by marketers to promote their products because of this (Adha, 2022). On the other point of view Irma Rumtianing, et. all., using prophetic Hadiths approach in their study stated that digitalization in the model of goods and services exchange has greatly facilitated humans in obtaining all their living needs quickly and cheaply. The emergence of digital technology is indeed something to be grateful for and welcomed. However, it is crucial to recognize the negative impacts that come with the rise of digital

technology. Hedonistic tendencies and excessive indulgence in consumption accompany the ease of shopping in the current digital era.

Research on economic behavior in the digital realm, particularly within e-commerce, has drawn significant attention from scholars. Studies by Shamim et al. and Chen et al. delve into the intricacies of consumer behavior and the impact of influencers in social commerce, shedding light on trust-building mechanisms and purchase intentions. Meanwhile, Dian Sudiantini et al.'s research underscores the pivotal role of digital transformation in shaping global economies, emphasizing its positive impacts alongside challenges such as regulatory issues and skill shortages. Moreover, Mesri Hayati et al. discuss the evolution of Islamic jurisprudence in financial transactions, highlighting the need for alignment with modern technological advancements while upholding Islamic principles. Additionally, Suhroji Adha's examination of consumer behavior revolution in the digital era elucidates shifting attitudes and demands, necessitating novel marketing strategies. Conversely, Irma Rumtianing et al. present a cautionary perspective, emphasizing the potential negative impacts of digitalization, including hedonistic consumption patterns. These diverse studies collectively contribute to a comprehensive understanding of the intersection between e-commerce, consumer behavior, Islamic principles, and digital transformation, paving the way for informed strategies and policies in the evolving digital landscape.

Method

The proposed research uses a mixing method approach in which researchers collect or analyze not only numerical data, which is customary for quantitative research, but also narrative data, which is the norm for qualitative research in order to address the research question(s) defined for a particular research study. (Leal Filho & Kovaleva, 2015) By having the ability to design research studies that combine data collection or data analysis methods from the quantitative and qualitative research approaches, this research will be able to test and build theories on e-commerce from a *Fiqh Muamalah* perspective. The research will also be able to employ the deductive and inductive analysis of the topics. Research process stages, first, literature review is an initial phase in qualitative research methodology. In this case, the literature review is conducted to gain knowledge about all information available on economic behavior in the digital world (development of transactional *fiqh* in the digital era). The information that can be obtained includes theories, concepts, and experts' views in the fields of digital business and business competition law. Second; Conducted Survey on consumers and producers of Muslim fashion products in e-commerce and social media in Indonesia and Malaysia. The number of samples used as many consumers who have bought Muslim fashion products both online in e-commerce and social media. Data is collected online with Google Forms. Online form links have been developed in various ways (Facebook, Instagram, WhatsApp). The sampling method uses a snowball with age criteria from 17 to 40 years and over because this age group uses social media the most. There are two different types primary and secondary sources of data were utilized in this investigation. Third; After conducting a literature review and survey, the next step is collecting the qualitative data through observation, in-depth interviews, and focus group discussions (FGD) with consumers and producers of Muslim fashion products in Indonesia and Malaysia to obtain more information on the impact of customers and producers understanding and behavior on e-commerce.

Results and Discussion

Islamic E-commerce in Malaysia and Indonesia

Malaysia and Indonesia have experienced substantial growth in e-commerce, driven by robust government initiatives and increasing internet penetration. Both countries have recognized the

potential of e-commerce to boost economic development and have actively promoted its adoption. In Malaysia, the government has launched various programs such as the Digital Free Trade Zone (DFTZ) to facilitate cross-border e-commerce and attract global e-commerce players (Hassan & Ali, 2020). Similarly, Indonesia has implemented the "Making Indonesia 4.0" roadmap to enhance digital infrastructure and encourage e-commerce activities (Rachmawati & Widodo, 2021). To ensure that e-commerce activities align with Islamic principles, both countries have developed regulatory frameworks. In Malaysia, the Malaysian Digital Economy Corporation (MDEC) and Shariah Advisory Council have collaborated to provide guidelines for Shariah -compliant e-commerce (Nordin & Rahman, 2021). These guidelines cover various aspects such as contract transparency, the prohibition of *riba* (usury), and the avoidance of *gharar* (excessive uncertainty). Similarly, Indonesia's National Sharia Board (DSN-MUI) has issued fatwas and guidelines to ensure e-commerce transactions comply with Islamic law (Aziz & Hanifah, 2020).

However, the application and understanding of these Islamic principles in e-commerce varies among consumers and producers. While some businesses and consumers strictly adhere to these guidelines, others may lack awareness or understanding of the specific requirements for Shariah compliance. This variability can lead to inconsistencies in how e-commerce is practiced and perceived within the market (Alam & Yasin, 2019). For example, issues such as unclear terms of service, non-compliant payment methods, and the sale of non-halal products can undermine consumer confidence and trust in e-commerce platforms (Nordin & Rahman, 2021). Despite these challenges, both Malaysia and Indonesia continue to make strides in promoting Shariah -compliant e-commerce. Educational programs and workshops aimed at increasing awareness and understanding of *Fiqh Muamalah* principles among consumers and producers are being implemented. Additionally, technological innovations such as blockchain are being explored to enhance transparency and trust in e-commerce transactions (Ibrahim & Sulaiman, 2020). Overall, the continued development of Shariah -compliant e-commerce frameworks in Malaysia and Indonesia demonstrates a commitment to integrating Islamic principles with modern digital commerce, ensuring that the benefits of e-commerce are realized in a manner consistent with Islamic values.

The emergence of various digital applications as payment tools marks a significant indicator of the financial sector's development in the era of the digital economy. It's not surprising that society has begun to develop and use digital applications related to financial systems, leading to the frequent discussion of financial technology or fintech among digital economy players. The digital economy has grown and evolved over the current period due to its increasing globalization (L. E. Nasution & Padli, 2023). According to Musafaki, in Alfiani Munawwar's (2022) research, the digital economy is an economy based on electronic products and services produced by electronic companies and traded through electronic commerce. These are companies with electronic production and management processes and companies that interact with partners and customers, conducting transactions through the Internet and network technology (Al Munawwarah, 2022). While Hinting, as stated by Nila Dwi Aprilia's (2021), the digital economy is a business conducted through virtual media, the creation and exchange of value, transactions, and mature relationships among economic actors using the Internet as a medium of exchange. The digital economy becomes an economic aspect based on the utilization and empowerment of digital information and communication technology. Digital users, such as the public and entrepreneurial actors, play a significant role in this digital economy. Tapscott cited by Dewi Sartika Nasution, et al. (2019), stated that there are twelve crucial characteristics of the digital economy that managers should understand and be aware of: Knowledge, Digitization, Virtualization, Molecularization, Internetworking, Disintermediation, Convergence, Innovation, Prosumption, Immediacy, Globalization, and Discordance (D. S. Nasution, 2019).

Furthermore, the cultural and religious diversity within Malaysia and Indonesia adds another layer of complexity to Islamic e-commerce practices. While Islam is the predominant religion in both countries, there are also significant minority populations with different religious beliefs. This diversity influences consumer preferences and purchasing behaviors, particularly in relation to halal products and services. Therefore, ensuring inclusivity and catering to the needs of all consumer segments is essential for the success of Shariah-compliant e-commerce platform (Abdul Rahman & Yusof, 2023). Despite the challenges and complexities, the potential benefits of Islamic e-commerce in Malaysia and Indonesia are vast. Beyond economic growth, Shariah-compliant e-commerce can foster social cohesion and ethical business practices grounded in Islamic values. By promoting fairness, transparency, and accountability in commercial transactions, Islamic e-commerce contributes to the broader goal of sustainable and ethical business practices in the digital age. Therefore, continued collaboration between governments, businesses, religious scholars, and consumers is essential to further develop and promote Islamic e-commerce in Malaysia and Indonesia, ensuring its alignment with both religious principles and modern business practices .

Demographic data and survey responses compiled on a Likert scale show that 70% of respondents were between the ages of 17 and 40 years or older, with the majority coming from a variety of occupational backgrounds. This reflects the demographic diversity of e-commerce users in Malaysia and Indonesia, indicating that a variety of age groups and job types are interested in shopping online. This also indicates that e-commerce platforms can reach various market segments, which is important for an inclusive marketing strategy. Respondents' online shopping duration varied, with 65% of them reporting spending more than one hour per week shopping online. This shows that consumers in both countries have a tendency to spend sufficient time exploring products online before making a purchase. This highlights the importance of good user experience and easy navigation on e-commerce platforms to maintain consumer interest.

On the purchasing decision scale, 60% of respondents tend to agree that their purchasing decisions are influenced by the development of consumer loyalty and product quality. This suggests that factors such as brand trust and product quality play an important role in the consumer decision-making process. Marketers must focus on how to increase consumer loyalty and ensure the products offered are of high quality to attract and retain customers. These results also show that 75% of respondents agree or strongly agree that the level of consumer trust in brands and brand ambassadors has a strong correlation with their purchasing decisions. Consumers who trust a brand are more likely to make repeat purchases and recommend the product to others. Therefore, building and maintaining consumer trust should be a top priority for e-commerce companies.

When reviewed further, the assessment of product quality shows an increasingly strong positive correlation with the level of consumer trust in the brand, with 80% of respondents stating that good product quality increases their trust in the brand. High-quality products not only meet consumer expectations but also increase positive perceptions of the brand as a whole. This shows that investing in product quality is an effective strategy for building a strong brand reputation. In terms of perceptions of brand ambassadors, 68% of respondents tend to give higher ratings to brands that have brand ambassadors who are viewed positively. Effective brand ambassadors can improve brand image and attract consumer attention. Therefore, selecting the right brand ambassadors and ensuring that they align with brand values is an important strategy to strengthen branding. The results of the analysis show that negative perceptions of brand ambassadors tend to correlate with lower purchasing decisions, with 55% of respondents stating that they are less likely to purchase from brands with brand ambassadors they dislike. This suggests that brand ambassadors that consumers dislike or do not trust can harm the brand and reduce consumers' purchase intentions. Therefore, it is important for

companies to carefully evaluate and select brand ambassadors who can strengthen, not damage, the brand image.

In contrast, 72% of respondents stated that positive perceptions of brand ambassadors correlated with higher purchasing decisions. This confirms that brand ambassadors who are liked and respected by consumers can significantly increase sales and brand loyalty. Thus, companies should consider investing in campaigns that highlight reputable brand ambassadors and can strengthen relationships with consumers. These findings demonstrate the important role of brand ambassadors in influencing consumer purchasing behavior. Brand ambassadors not only serve as the face of the product but also as a link between the brand and consumers. An effective strategy should include the use of brand ambassadors who can build trust and provide added value to consumers. The analysis also revealed that 64% of respondents agreed that good product quality contributes to their purchasing decisions. High quality products not only attract consumers but also encourage them to make repeat purchases and recommend the product to others. Therefore, maintaining product quality is the key to maintaining customer satisfaction and driving business growth.

The correlation between perceptions of product quality and the level of consumer trust in brands shows a significant positive relationship, with 85% of respondents stating that they have more trust in brands that offer high quality products. This means that high-quality products can increase consumer trust in the brand, which in turn can increase customer loyalty and retention. Companies must ensure that every product they offer meets high quality standards to build long-term relationships with customers. Data shows that 78% of respondents have a high level of trust in the brands they trust, which is positively correlated with higher purchasing decisions. Consumers who have a high level of trust in a brand are more likely to make a purchase, indicating that building trust is an important component in marketing strategy. Companies must focus on transparency, reliability, and integrity in all their interactions with consumers to build strong trust. This emphasizes the importance of building consumer trust in brand marketing strategies. Consumer trust can be earned in a variety of ways, including providing high-quality products, good customer service, and honest communication. Companies that successfully build this trust will be more likely to see increases in consumer loyalty and sales.

The analysis also highlights the need to pay attention to consumer perceptions of brands and brand ambassadors in developing effective marketing strategies. These perceptions can be influenced by a variety of factors, including product experience, interactions with customer service, and the image projected by brand ambassadors. Companies must continually monitor and adjust their strategies to ensure that they meet and exceed consumer expectations. Conversely, negative perceptions of brand ambassadors and product quality can harm consumers' purchasing decisions. Consumers who have a bad experience with a product or feel uncomfortable with a brand ambassador may look for alternatives. Therefore, companies must be careful in selecting brand ambassadors and ensure that the products they offer always meet the expected quality standards. These findings underscore the importance of maintaining brand image and strengthening consumer trust in influencing purchasing behavior. Brands that successfully project a positive image and build trust with consumers are more likely to see an increase in loyalty and sales. A strategy that focuses on maintaining a good brand image and building consumer trust should be a top priority for the company.

The analysis also highlights the need to understand the interrelationship between factors such as product quality, brand trust, and consumer perceptions of brand ambassadors. These factors are interrelated and can significantly influence consumer purchasing decisions. Companies must adopt a holistic approach that considers all these aspects to develop an effective marketing strategy. These findings provide valuable insights for companies in developing marketing strategies oriented towards building consumer trust and a positive brand image. By understanding how these factors are

interrelated and influence purchasing decisions, companies can develop more targeted and effective strategies. Overall, the analysis results show the importance of paying attention to the factors that influence consumer purchasing decisions in the e-commerce context. Companies must focus on how to improve product quality, build brand trust, and use effective brand ambassadors to attract and retain customers. The implication of these findings is the need for a holistic marketing strategy that not only considers product quality but also strengthens consumer trust in the brand and brand ambassadors. By adopting a comprehensive approach, companies can ensure that they meet and exceed consumer expectations, which in turn will increase loyalty and business growth.

Challenges in Applying *Fiqh Muamalah* to E-commerce and Opportunities for Improvement

The digital nature of e-commerce introduces unique challenges to the application of traditional *Fiqh Muamalah* principles. One of the primary issues is the lack of physical interaction between buyers and sellers. Traditional commerce relies heavily on face-to-face transactions, which allow for immediate clarification of terms and conditions. In contrast, e-commerce transactions are conducted remotely, often with limited direct communication, which can lead to misunderstandings and disputes. Reliance on electronic communications is another challenge. Traditional *Fiqh Muamalah* emphasizes the importance of clear and transparent communication in commercial transactions to prevent ambiguity and deceit. However, in e-commerce, communication is typically mediated through digital interfaces, which can sometimes obscure or simplify complex contractual terms, potentially leading to issues of *gharar* (excessive uncertainty). Digital authentication is also a critical issue in the context of e-commerce. In traditional commerce, the presence of physical signatures and tangible contracts helps to verify the authenticity and legitimacy of transactions. However, e-commerce relies on digital signatures and electronic records, which, while convenient, can be more susceptible to fraud and cybercrime. Ensuring the integrity and security of these digital authentication methods is crucial for maintaining trust in e-commerce transactions.

Additionally, the fast-paced and global nature of e-commerce poses challenges for the application of *Fiqh Muamalah*. Islamic jurisprudence traditionally involves detailed and context-specific rulings, which can be difficult to adapt quickly to the ever-evolving digital marketplace. The rapid development of new business models and technologies in e-commerce requires continuous scholarly engagement to ensure that *Fiqh Muamalah* principles are appropriately applied. The use of digital currencies and electronic payments in e-commerce also raises significant concerns. *Fiqh Muamalah* prohibits *riba* (usury) and emphasizes the need for fair and transparent financial transactions. The integration of digital payment methods, such as credit cards and cryptocurrencies, into e-commerce platforms requires careful examination to ensure they do not involve usury or other prohibited elements. Moreover, the issue of product and service verification is more complex in e-commerce. Traditional commerce allows buyers to physically inspect goods before purchasing, ensuring that they meet the expected standards and quality. In contrast, e-commerce transactions often involve buying goods based on digital descriptions and images, which can sometimes be misleading. This can raise concerns about the permissibility of transactions under Islamic law if they result in significant *gharar*.

Jurisdictional issues also complicate the application of *Fiqh Muamalah* to e-commerce. Online transactions often cross national borders, subjecting them to multiple legal and regulatory frameworks. This can create conflicts between Shariah principles and local laws, requiring careful navigation to ensure compliance with both. Consumer protection is another critical area. Traditional *Fiqh Muamalah* emphasizes the protection of consumer rights and the ethical treatment of all parties in a transaction. Ensuring that e-commerce platforms uphold these values in their business practices can be challenging, particularly in the absence of strong regulatory oversight.

Data privacy and security concerns are also paramount. E-commerce platforms collect and store vast amounts of personal data, which must be protected to prevent misuse and ensure compliance with Islamic ethical standards. Maintaining data integrity and preventing breaches are essential to uphold trust and protect consumer rights. Finally, the rapid pace of technological innovation presents both opportunities and challenges for integrating *Muamalah Fiqh* into e-commerce. While new technologies can facilitate compliance and enhance transparency, they also require constant updates to legal and regulatory frameworks to keep pace with the changes. This necessitates ongoing collaboration between scholars, regulators, and industry stakeholders .

Education and awareness play a crucial role in enhancing the integration of *Fiqh Muamalah* in e-commerce. Increasing the knowledge and understanding of Islamic commercial principles among both consumers and producers can help ensure that transactions are conducted in a manner consistent with Shariah law. Educational programs and workshops can be developed to inform stakeholders about the principles of *Fiqh Muamalah* and how they apply to digital commerce. Strengthening regulatory frameworks is another key opportunity. Governments and regulatory bodies can develop and enforce guidelines that support Shariah-compliant e-commerce. This can include creating certification systems for platforms and businesses that adhere to Islamic principles, providing consumers with assurance and building trust in the marketplace. Developing technological solutions can also facilitate compliance with *Fiqh Muamalah*. Digital tools and platforms can be designed to ensure transparency, fairness, and security in e-commerce transactions. For example, blockchain technology can provide immutable records of transactions, enhancing trust and reducing the potential for fraud. Similarly, smart contracts can automate compliance with Shariah principles, ensuring that all terms and conditions are met before a transaction is completed.

Enhancing collaboration between scholars and industry stakeholders can help address the challenges of applying *Fiqh Muamalah* to e-commerce. Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape. Promoting ethical business practices is essential for aligning e-commerce with *Fiqh Muamalah*. Companies can adopt and promote ethical standards that reflect Islamic values, such as honesty, fairness, and transparency. This can help build consumer trust and loyalty, ultimately benefiting businesses and the broader e-commerce ecosystem. Supporting research and development in the field of Islamic e-commerce can also drive improvements. Investing in research can provide valuable insights into consumer behavior, market trends, and the effectiveness of different compliance strategies. This knowledge can inform policy-making and business practices, helping to create a more robust and Shariah-compliant e-commerce environment. Fostering consumer engagement and feedback mechanisms can also enhance compliance with *Fiqh Muamalah*. Providing platforms for consumers to share their experiences and concerns can help businesses identify areas for improvement and ensure that they meet the needs and expectations of their customers. Engaging with consumers in this way can also build a sense of community and shared values, strengthening the overall e-commerce ecosystem.

Encouraging innovation in Shariah-compliant financial products and services can support the growth of Islamic e-commerce. Developing new financial instruments that align with *Fiqh Muamalah* principles can provide consumers and businesses with more options for conducting transactions in a compliant manner. This can include Islamic fintech solutions, such as interest-free payment systems and Shariah-compliant investment platforms. Creating awareness campaigns that highlight the benefits of Shariah-compliant e-commerce can also drive consumer adoption. These campaigns can educate consumers about the ethical advantages of Shariah-compliant products and services, promoting a more conscious and values-driven approach to online shopping.

Finally, leveraging international cooperation and knowledge sharing can enhance the application of *Fiqh Muamalah* to e-commerce. By learning from best practices and successful models in other countries, Malaysia and Indonesia can further refine their regulatory frameworks and business practices to better support Shariah-compliant e-commerce. This global perspective can provide valuable insights and help overcome common challenges.

Conclusion

Through understanding the research questions, several important conclusions can be drawn as follows; *First*, there are variations in the understanding and application of *Fiqh* principles *Muamalah* by e-commerce consumers, shows the importance of increasing their education and awareness of these principles. *Second*, there are significant differences in e-commerce consumer behavior between Indonesia and Malaysia, which are influenced by cultural, regulatory and technological factors. These differences highlight the need for marketing strategies tailored to local market characteristics. *Third*, challenges in applying *Fiqh* principles Disadvantages of e-commerce include inadequate infrastructure and the adaptation of these principles to a rapidly evolving digital context. However, these challenges also provide opportunities to improve regulations and develop innovative technological solutions to improve e-commerce practices in accordance with Islamic principles. Thus, a better understanding of the principles of *Muamalah Fiqh*, consumer behavior, and efforts to overcome challenges in implementing these principles can open opportunities for improvements and advancements in e-commerce in the future.

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2. Naskah Revisi 1

REVIEW FORM

Article Title : **Development of *Fiqh Muamalah* in Digital Era: A Study on Consumers and Producers Understanding and Behavior on E-Commerce in Malaysia and Indonesia**

Journal Code :

No	Assessment Criteria	Score*				
		1	2	3	4	5
1	The authenticity of the contents of the article (never been published in other journals)			√		
2	The novelty of the content of the article		√			
3	The suitability of the title with the contents of the journal		√			
4	Methodological description (informative, up-to-date and clear)		√			
5	Presentation of figures and tables		√			
6	Completeness of data		√			
7	Quality of discussion		√			
8	The suitability of the background, results, and discussion with conclusions		√			
9	Complete bibliography		√			
10	Use of language (grammar, readability, use of terms, EYD, etc.)		√			
Total score						

*To provide an assessment used an interval from 1 to 5

Information:

5. Very Good 4. Good 3. Fair 2. Less 1. Very Poor

Notes

This article needs to be revised

Reviewer recommendations: (please circle based on the results of the assessment)

a. Accepted Submission

b. Revisions Required

c. Resubmit for Review

d. Decline Submission

Development of *Fiqh Muamalah* in Digital Era: A Study on Consumers and Producers Understanding and Behavior on E-Commerce in Malaysia and Indonesia

|| Received: 13-07-2022 || Revised: 15-09-2022 || Accepted: 12-10-2022

Abstract: The study delves into the evolution of *Fiqh Muamalah* within the burgeoning realm of e-commerce in Malaysia and Indonesia. Through a detailed analysis of consumer and producer behaviors, it explores how Islamic principles are understood, applied, and adapted in online marketplaces. Utilizing a mixed-methods approach, encompassing both quantitative and qualitative methodologies, the research provides insights into the intricate interplay between Islamic legal principles and contemporary e-commerce practices. It highlights the challenges and opportunities in aligning modern e-commerce modalities with traditional Islamic legal frameworks, emphasizing the need for enhanced education and tailored marketing strategies to address consumer understanding disparities and divergent behaviors between the two countries, influenced by cultural, regulatory, and technological factors. Ultimately, the study advocates for addressing these challenges while leveraging innovative technological solutions to harmonize e-commerce practices with enduring Islamic ethical precepts, thereby fostering sustainable economic growth and societal well-being in the dynamic landscape of the digital age.

Keywords: *Fiqh Muamalah*, e-commerce, Islamic principles, consumer behavior, producer behavior

Introduction

Over the past few decades, digital technology has fundamentally transformed the way we interact with the world, including in economic matters. This phenomenon has ushered in a new economic paradigm, where increasingly more transactions and economic interactions occur digitally. In this context, the development of *Fiqh Muamalah*, which is part of Islamic law governing economic transactions, becomes crucial to adapt to the rapidly evolving digital era. Indonesia's e-commerce sector experiences rapid growth, according to a British research institute (Nofrizal et al., 2023). By 2023, global online clothing sales are expected to contribute 600 billion USD, representing 27% of global fashion retail (Statista, 2024). Indonesian e-commerce revenue is projected to reach 62.59 billion USD in 2022, with 221 million users by 2025 (Statista, 2022). The Indonesian e-commerce market is anticipated to grow by 42% between 2012 and 2022, surpassing other nations like Malaysia, Thailand, and the Philippines. Tokopedia and Shopee control the majority of the Indonesian e-commerce market, with 35% and 34% respectively. However, many startups worldwide and in Indonesia face potential bankruptcy and employee cuts post-COVID-19 recovery (Nofrizal et al., 2023). Survey Results Confirm Rapid Shift in Customer Interaction with Digital Channels. On average, 58% of customer interactions worldwide after the COVID-19 pandemic are digital compared to 36% during the pre-pandemic period, now even reaching 80%. One opportunity that can be leveraged from the digital economy is assisting in accelerating Indonesian businesses through empowering Micro, Small, and Medium Enterprises (MSMEs) and the development of the Islamic economy. Indonesia has nearly 64 million MSMEs in its economy. They contribute 97% of the country's workforce and account for more than 60% of GDP (Kemenkeu, 2022).

According to the East Ventures Digital Competitiveness Index (EV-DCI) 2022 report, the national digital competitiveness score continues to increase, reaching 35.2, from 32.0 (2021) and 27.9 (2020). This score is derived from the median of scores from 34 provinces, indicating varying score gaps among provinces. Based on the EV-DCI 2022 report, three sub-indices are formed from nine pillars. The first sub-index, input, comprises three pillars: human resources, information and communication technology (ICT) usage, and ICT expenditure. The second sub-index, output, includes economic, entrepreneurship,

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how to realize justice and mashlahah in e-commerce practices, especially in the understanding and behavior of producers and consumers.

If it only explains the challenges of *fiqh muamalah* in e-commerce and the Islamic perspective on e-commerce, then this article is not worthy of publication.

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productivity, and labor force pillars. Lastly, the supporting sub-index covers infrastructure, finance, as well as regulation, and local government capacity (Katadata, 2022). Digital Transformation in the economy also brings about changes in economic behavior patterns as the growth of digital technology has altered consumer shopping habits, producers marketing their products, and other economic actors interacting. As a result, the public increasingly tends to conduct transactions online through e-commerce platforms, digital banking applications, and other financial technologies.

From the data above, we can observe that the e-commerce sector is estimated to be worth IDR 883 trillion in 2022, accounting for 77% of the total digital economy. It grew by 22% compared to the previous year. Transportation and food services contribute the second largest share with a value of IDR 115 trillion, or 11% of the 2022 digital economy. This value increased by 33% compared to before the pandemic. Online media holds the third position among digital services with a value of IDR 103 trillion, contributing 8% to the total digital economy in 2022. This value is more than doubled compared to 2020. The last service is online travel, which is estimated to reach a value of IDR 46 trillion, or 4% of the total digital economy (Kompas, 2023). Thus, it can be understood that the digital transformation in the economic sector has a highly significant impact, causing changes in economic behavior. Although digitalization offers numerous benefits for businesses and the economy, it also presents challenges that need to be addressed. Firstly, the lack of digital literacy remains a major concern for all of us. Second, countries must ensure digital literacy equality among their citizens. Additionally, there are other economic digital challenges such as cybersecurity, human resources, internet access, and regulation that need to be resolved.

Nationally, Indonesian law already supports an Islamic economy. As technology continues to advance, so does the evolution of *fiqh* (Islamic jurisprudence) in accordance with the changing times. It can be observed that Islamic finance, such as Islamic banking, insurance, capital markets, *sukuk* (Islamic bonds), and even digital charitable endowments (*waqf*) have been implemented online (Sukiati et al., 2023). Furthermore, not only in the economic sphere but also in the fashion industry, Muslim fashion is increasingly developing in terms of production and consumer aspects. Similarly, Islamic tourism must be regulated within *Fiqh Muamalah* (Islamic transactional jurisprudence), addressing the contracts and principles involved to ensure the financial aspects of Islamic tourism align with Islamic teachings. In the context of digital finance, *Fiqh Muamalah* provides guidance on how to conduct electronic transactions with principles of fairness and cleanliness. The concept of *riba* (interest) in *Fiqh Muamalah* emphasizes the importance of avoiding transactions involving interests, which can harm the economically weaker party. This is highly relevant in digital financial products such as online loans and investments, where these principles can help maintain fairness and economic sustainability. E-commerce, as an integral part of the digital era, is also influenced by *Fiqh Muamalah* principles.

At its core, the concept of *muamalah* (transactions) emphasizes transparency, honesty, and fairness in every transaction. In the context of e-commerce, this aspect includes such as accurate product descriptions, fair return policies, and consumer protection. *Fiqh Muamalah* can provide ethical guidance for online business actors to ensure that transactions are conducted with good faith and adherence to high moral standards. Furthermore, the existence of cryptocurrencies as a new form of digital asset also challenges *Fiqh Muamalah* perspectives. Although there are no direct references in classical Islamic sources regarding cryptocurrencies, the principles of *Fiqh Muamalah*, such as fairness, transparency, and ambiguity (*gharar*), can be applied to assess the permissibility of using cryptocurrencies. It is crucial to understand the Islamic legal implications on digital currencies, including aspects like speculation, volatility, and uncertainty. In general, the relevance of *Fiqh Muamalah* in the digital era is not limited to finance, e-commerce, and cryptocurrency but also extends to various everyday aspects affected by technology. Adopting the values and principles of *Fiqh Muamalah* in the digital context can ensure a sustainable and fair economy while creating an ethical and responsible business environment. Therefore, a deep understanding of *Fiqh Muamalah* becomes increasingly important amid the continuous changes in the digital era.

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Integrating *Fiqh Muamalah* in the digital era faces numerous challenges and obstacles, some of which include; 1) Changes in Economic Transactions: Digital technology has transformed the way transactions are conducted, such as digital payments, e-commerce, and online investments. This raises questions about how *Fiqh Muamalah* rules can be applied in the context of increasingly complex and diverse transactions. 2) Online Transaction Ethics: The ethics of online transactions have become a crucial concern, including issues of trust (*amanah*) in transactions, fulfilling the requirements of *Fiqh Muamalah*, and addressing other challenges that arise in digital transactions. 3) Legal Framework for Cryptocurrencies: The existence of cryptocurrencies like Bitcoin raises questions about their permissibility, legality, and how to regulate transactions using cryptocurrencies in accordance with the principles of *Fiqh Muamalah*. 4) Changes in Lending and Investment: Fintech has introduced new models of lending and investment, such as peer-to-peer lending and crowdfunding, which require a deep understanding of *Fiqh Muamalah* to determine their permissibility and legality. 5) Consumer Protection: In the digital economy, consumer protection becomes essential. *Fiqh Muamalah* can provide guidance on consumer rights and obligations in online transactions. 6) Technology Use in Sales: The use of technology in sales, such as chatbots or automation of sales processes, raises questions about how *Fiqh Muamalah* rules can be applied in this context. 7) Globalization and Transaction Complexity: With increasingly complex cross-border transactions, *Fiqh Muamalah* must provide relevant guidance in the context of global economic interdependence. 8) Awareness and Education: The primary challenge is to increase awareness and understanding among the community about the principles of *Fiqh Muamalah* in conducting transactions in an ever-changing digital landscape.

Social scientists have paid considerable attention to those phenomenon with various themes, for instance, Mersi Hayati, et. all (Hayati, 2024) on Islamic jurisprudence on transactions of e-commerce, Chen, et. all., (Chen et al., 2023) on e-commerce live streaming, Dian Sudiantini, et.all (Sudiantini, 2023) on Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" and on the Islamic principles on e-commerce behaviors by Serliana, at.all (AL., 2023); Mirzam Arqy Ahmadi, et. all (Ahmadi & et al, 2023). and Mupida, et. all (Mupida & Mahmadatun, 2021)., also Azam (Azam, 2021), and Suhroji Adha (Adha, 2022). The research is slightly different from those above research. It will focus comprehensively on consumers and producers understanding and behaviors on e-commerce of Muslim fashion products using mixing qualitative and quantitative research approaches with Indonesian and Malaysian cases.

By using the approach, the data findings from the study will address these challenges previously mentioned above and reformulate the development of *Fiqh Muamalah* with the advancements of digital technology. Developing *Fiqh Muamalah* in the Digital Era, is not just about applying existing principles but also about aligning them with the new dynamics in the digital economy. The research is crucial for understanding contemporary economic dynamics and ensuring that economic practices align with Islamic values. Through this research, it is hoped that relevant and sustainable solutions can be found to strengthen the foundation of Islamic economic law in addressing the challenges and opportunities presented by the digital revolution. While E-Commerce is spreading world-wide, many Muslims are wondering whether this new form of commerce is acceptable from the Sharia (Islamic Law) point of view. Thus, this research paper is intended to study the Islamic perspectives in e-commerce, particularly in its transactions, as well as the rights of the producers and customers. Thus, this research is meant to study the Islamic perspectives or *Fiqh Muamalah* principle views in e-commerce, particularly in its transactions, as well as the understanding, behaviors and rights of the producers and customers, specifically there are three research questions, first; how do e-commerce consumers understand and apply the principles of *Fiqh Muamalah* ?, second; how do e-commerce consumer behaviors in Indonesia and Malaysia differ?, third ; What are the challenges faced in applying *Fiqh Muamalah* principles to e-commerce, and how can these challenges be addressed to create opportunities for improvement?.

Literature Review

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[Islamic Fiqh Views on E-Commerce](#)
[E-commerce dalam perspektif fiqh muamalat](#)
[Transaksi Jual Beli Online \(E-Commerce\) dalam Perspektif Hukum Islam](#)
[Jual Beli on line \(E-commerce\) ditinjau dari Perspektif Hukum Islam](#)
[Predatory Pricing in Buying and Selling Imported Products in E-Commerce According to the Perspective of Business Competition Law and Muamalah Fiqh](#)

This incident is not interesting if you only look at this, the author must be able to find novelty from this study

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 1. e-commerce in Indonesia and Malaysia
 2. Understanding and Behavior of producers and consumers

Research on economic behavior in the digital world (development of Islamic jurisprudence in transactions in the digital era) has been conducted by various researchers, including: Shamim, et. all, studied how social media influencers induce the urge to buy impulsively in social commerce context. This study, based on signaling theory, investigates the impact of Fashion Influencers (FIs) on consumers' impulsive buying (UBI) in social commerce. It focuses on key factors contributing to trust in FIs' branded posts and how persuasion knowledge moderates the trust-UBI relationship. Using PLS-SEM on 452 Pakistani social media users' responses, it was found that trust in FI's posts positively affects UBI. Influencer Credibility (IC), Message Credibility (MC), and Media Credibility (MeC) are significant factors contributing to trust. Persuasion knowledge moderates the trust-UBI relationship, with trust in FI's posts mediating the connection between IC, MC, MeC, and UBI. These findings contribute to the literature and offer valuable insights for fashion marketers to build trust-centric relationships with followers, ultimately boosting UBI in social commerce (Shamim et al., 2024).

Chen, et. all., (Chen et al., 2023) conducted the research on the product uncertainty in live streaming e-commerce from a signal consistency perspective. Drawing from signaling theory and uncertainty literature, they found that consistent signals can decrease product uncertainty, enhancing consumers' purchase intentions. With a sample of 338 live shoppers, they discovered that anchor-product fit, live content-product fit, and content-product fit negatively impact product quality uncertainty and product fit uncertainty. Self-product fit affects both product quality uncertainty and product fit uncertainty negatively. Product quality uncertainty positively influences product fit uncertainty, and all three uncertainties have significant negative impacts on purchase intention. Further analysis suggests that combining four signal consistency cues and two product uncertainties in three causal configurations can lead to high purchase intention. This research contributes to the existing body of knowledge and offers valuable guidance for e-commerce live streaming sellers and platforms to make strategic decisions.

Another study by Dian Sudiantini, et. all. (Sudiantini, 2023) entitled "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" found that in the era of globalization and digitalization, digital economic transformation has become an increasingly crucial phenomenon affecting almost every aspect of life. On one hand, digital economic transformation can bring positive impacts on global economic growth, enabling business innovations, and enhancing global collaboration. On the other hand, it presents challenges that need to be addressed, such as regulatory issues, insufficient skills and public awareness, and inadequate technological infrastructure.

Mersi Hayati, et. all. (Hayati, 2024), on the other hand stated that Islamic jurisprudence of transactions has evolved in line with technological advances in electronic transactions. The development of Islamic law in the modern era reflects the efforts of scholars and academics to interpret Islamic values so they can be applicable and relevant in new environments. The evolution of Islamic law in financial transactions, particularly with the emergence of contemporary financial instruments, requires comprehensive research to ensure that these changes align with Islamic values and principles of justice. In facing new challenges in the fields of economics and finance, Islamic jurisprudence plays a crucial role. Responses to such changes, such as Islamic banking, Islamic insurance, and technology-based financial transactions, reflect efforts to ensure that Islamic principles remain firmly upheld in an ever-changing environment. In addressing these new challenges, individual rights protection, social justice, and environmental concerns become the primary focus. The reformulation of Islamic jurisprudence of transactions means reinvigorating it to adapt to modern life, allowing the study of Islamic jurisprudence to evolve with the times. To achieve this, various tools and disciplines of Islamic jurisprudence, along with moral principles, are required to ensure that the formulation of Islamic jurisprudence is in accordance with Islamic law and within its framework.

E-commerce behavior has also been a critical and significant issue on the development of *fiqh Muamalah*. Suhroji Adha, for example, in his research entitled "Factors of Consumer Behavior Revolution in the Digital Era: A Literature Review" found that consumer attitudes towards marketing have changed due to the digital revolution. The way consumers search, pay, use, and dispose of products they have

purchased after using them reflects changes in consumer behavior. Media consumption habits have also greatly changed, forcing marketers to develop new strategies and find new ways to improve customer attraction. In digital marketing, today's consumers tend to demand more than what they desire in traditional marketing. This is because information technology is rapidly advancing, constantly providing them with a wealth of information. Customers sometimes have more knowledge than marketers due to the abundance of it. Customers lose trust in the messages used by marketers to promote their products because of this (Adha, 2022). On the other point of view Irma Rumtianing, et. all., using prophetic Hadiths approach in their study stated that digitalization in the model of goods and services exchange has greatly facilitated humans in obtaining all their living needs quickly and cheaply. The emergence of digital technology is indeed something to be grateful for and welcomed. However, it is crucial to recognize the negative impacts that come with the rise of digital technology. Hedonistic tendencies and excessive indulgence in consumption accompany the ease of shopping in the current digital era.

Research on economic behavior in the digital realm, particularly within e-commerce, has drawn significant attention from scholars. Studies by Shamim et al. and Chen et al. delve into the intricacies of consumer behavior and the impact of influencers in social commerce, shedding light on trust-building mechanisms and purchase intentions. Meanwhile, Dian Sudiantini et al.'s research underscores the pivotal role of digital transformation in shaping global economies, emphasizing its positive impacts alongside challenges such as regulatory issues and skill shortages. Moreover, Mesri Hayati et al. discuss the evolution of Islamic jurisprudence in financial transactions, highlighting the need for alignment with modern technological advancements while upholding Islamic principles. Additionally, Suhroji Adha's examination of consumer behavior revolution in the digital era elucidates shifting attitudes and demands, necessitating novel marketing strategies. Conversely, Irma Rumtianing et al. present a cautionary perspective, emphasizing the potential negative impacts of digitalization, including hedonistic consumption patterns. These diverse studies collectively contribute to a comprehensive understanding of the intersection between e-commerce, consumer behavior, Islamic principles, and digital transformation, paving the way for informed strategies and policies in the evolving digital landscape.

Method

The proposed research uses a mixing method approach in which researchers collect or analyze not only numerical data, which is customary for quantitative research, but also narrativ data, which is the norm for qualitative research in order to address the research question(s) defined for a particular research study. (Leal Filho & Kovaleva, 2015) By having the ability to design research studies that combine data collection or data analysis methods from the quantitative and qualitative research approaches, this research will be able to test and build theories on e-commerce on *Fiqh Muamalah* perspective. The research will also be able to employ the deductive and inductive analysis of the topics. Research process stages, first, literature review is an initial phase in qualitative research methodology. In this case, the literature review is conducted to gain knowledge about all information available on economic behavior in the digital world (development of transactional *fiqh* in the digital era). The information that can be obtained includes theories, concepts, and experts' views in the fields of digital business and business competition law. Second; Conducted Survey on consumers and producers of Muslim fashion products in e-commerce and social media in Indonesia and Malaysia. The number of samples used as many consumers who have bought Muslim fashion products both online in e-commerce and social media. Data is collected online with Google Forms. Online form links have been developed in various ways (Facebook, Instagram, WhatsApp). The sampling method uses a snowball with age criteria from 17 to 40 years and over because this age group uses social media the most. There are two different types primary and secondary sources of data were utilized in this investigation. Third; After conducting a literature review and survey, the next step is collecting the qualitative data through observation, in-depth interviews, and focus group discussions (FGD) with consumers and producers of Muslim fashion products in Indonesia and Malaysia to obtain more information on the impact of customers and producers understanding and behavior on e-commerce.

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Results and Discussion

Islamic E-commerce in Malaysia and Indonesia

Malaysia and Indonesia have experienced substantial growth in e-commerce, driven by robust government initiatives and increasing internet penetration. Both countries have recognized the potential of e-commerce to boost economic development and have actively promoted its adoption. In Malaysia, the government has launched various programs such as the Digital Free Trade Zone (DFTZ) to facilitate cross-border e-commerce and attract global e-commerce players (Hassan & Ali, 2020). Similarly, Indonesia has implemented the "Making Indonesia 4.0" roadmap to enhance digital infrastructure and encourage e-commerce activities (Rachmawati & Widodo, 2021). To ensure that e-commerce activities align with Islamic principles, both countries have developed regulatory frameworks. In Malaysia, the Malaysian Digital Economy Corporation (MDEC) and Shariah Advisory Council have collaborated to provide guidelines for Shariah-compliant e-commerce (Nordin & Rahman, 2021). These guidelines cover various aspects such as contract transparency, the prohibition of *riba* (usury), and the avoidance of *gharar* (excessive uncertainty). Similarly, Indonesia's National Sharia Board (DSN-MUI) has issued fatwas and guidelines to ensure e-commerce transactions comply with Islamic law (Aziz & Hanifah, 2020).

However, the application and understanding of these Islamic principles in e-commerce varies among consumers and producers. While some businesses and consumers strictly adhere to these guidelines, others may lack awareness or understanding of the specific requirements for Shariah compliance. This variability can lead to inconsistencies in how e-commerce is practiced and perceived within the market (Alam & Yasin, 2019). For example, issues such as unclear terms of service, non-compliant payment methods, and the sale of non-halal products can undermine consumer confidence and trust in e-commerce platforms (Nordin & Rahman, 2021). Despite these challenges, both Malaysia and Indonesia continue to make strides in promoting Shariah-compliant e-commerce. Educational programs and workshops aimed at increasing awareness and understanding of *Fiqh Muamalah* principles among consumers and producers are being implemented. Additionally, technological innovations such as blockchain are being explored to enhance transparency and trust in e-commerce transactions (Ibrahim & Sulaiman, 2020). Overall, the continued development of Shariah-compliant e-commerce frameworks in Malaysia and Indonesia demonstrates a commitment to integrating Islamic principles with modern digital commerce, ensuring that the benefits of e-commerce are realized in a manner consistent with Islamic values.

The emergence of various digital applications as payment tools marks a significant indicator of the financial sector's development in the era of the digital economy. It's not surprising that society has begun to develop and use digital applications related to financial systems, leading to the frequent discussion of financial technology or fintech among digital economy players. The digital economy has grown and evolved over the current period due to its increasing globalization (L. E. Nasution & Padli, 2023). According to Musafaki, in Alfiani Munawwar's (2022) research, the digital economy is an economy based on electronic products and services produced by electronic companies and traded through electronic commerce. These are companies with electronic production and management processes and companies that interact with partners and customers, conducting transactions through the Internet and network technology (Al Munawwarah, 2022). While Hinting, as stated by Nila Dwi Aprilia's (2021), the digital economy is a business conducted through virtual media, the creation and exchange of value, transactions, and mature relationships among economic actors using the Internet as a medium of exchange. The digital economy becomes an economic aspect based on the utilization and empowerment of digital information and communication technology. Digital users, such as the public and entrepreneurial actors, play a significant role in this digital economy. Tapscott cited by Dewi Sartika Nasution, et al. (2019), stated that there are twelve crucial characteristics of the digital economy that managers should understand and be aware of: Knowledge, Digitization, Virtualization, Molecularization, Internetworking, Disintermediation, Convergence, Innovation, Prosumption, Immediacy, Globalization, and Discordance (D. S. Nasution, 2019).

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Furthermore, the cultural and religious diversity within Malaysia and Indonesia adds another layer of complexity to Islamic e-commerce practices. While Islam is the predominant religion in both countries, there are also significant minority populations with different religious beliefs. This diversity influences consumer preferences and purchasing behaviors, particularly in relation to halal products and services. Therefore, ensuring inclusivity and catering to the needs of all consumer segments is essential for the success of Shariah-compliant e-commerce platform (Abdul Rahman & Yusof, 2023). Despite the challenges and complexities, the potential benefits of Islamic e-commerce in Malaysia and Indonesia are vast. Beyond economic growth, Shariah-compliant e-commerce can foster social cohesion and ethical business practices grounded in Islamic values. By promoting fairness, transparency, and accountability in commercial transactions, Islamic e-commerce contributes to the broader goal of sustainable and ethical business practices in the digital age. Therefore, continued collaboration between governments, businesses, religious scholars, and consumers is essential to further develop and promote Islamic e-commerce in Malaysia and Indonesia, ensuring its alignment with both religious principles and modern business practices .

Demographic data and survey responses compiled on a Likert scale show that 70% of respondents were between the ages of 17 and 40 years or older, with the majority coming from a variety of occupational backgrounds. This reflects the demographic diversity of e-commerce users in Malaysia and Indonesia, indicating that a variety of age groups and job types are interested in shopping online. This also indicates that e-commerce platforms can reach various market segments, which is important for an inclusive marketing strategy. Respondents' online shopping duration varied, with 65% of them reporting spending more than one hour per week shopping online. This shows that consumers in both countries have a tendency to spend sufficient time exploring products online before making a purchase. This highlights the importance of good user experience and easy navigation on e-commerce platforms to maintain consumer interest.

On the purchasing decision scale, 60% of respondents tend to agree that their purchasing decisions are influenced by the development of consumer loyalty and product quality. This suggests that factors such as brand trust and product quality play an important role in the consumer decision-making process. Marketers must focus on how to increase consumer loyalty and ensure the products offered are of high quality to attract and retain customers. These results also show that 75% of respondents agree or strongly agree that the level of consumer trust in brands and brand ambassadors has a strong correlation with their purchasing decisions. Consumers who trust a brand are more likely to make repeat purchases and recommend the product to others. Therefore, building and maintaining consumer trust should be a top priority for e-commerce companies.

When reviewed further, the assessment of product quality shows an increasingly strong positive correlation with the level of consumer trust in the brand, with 80% of respondents stating that good product quality increases their trust in the brand. High-quality products not only meet consumer expectations but also increase positive perceptions of the brand as a whole. This shows that investing in product quality is an effective strategy for building a strong brand reputation. In terms of perceptions of brand ambassadors, 68% of respondents tend to give higher ratings to brands that have brand ambassadors who are viewed positively. Effective brand ambassadors can improve brand image and attract consumer attention. Therefore, selecting the right brand ambassadors and ensuring that they align with brand values is an important strategy to strengthen branding. The results of the analysis show that negative perceptions of brand ambassadors tend to correlate with lower purchasing decisions, with 55% of respondents stating that they are less likely to purchase from brands with brand ambassadors they dislike. This suggests that brand ambassadors that consumers dislike or do not trust can harm the brand and reduce consumers' purchase intentions. Therefore, it is important for companies to carefully evaluate and select brand ambassadors who can strengthen, not damage, the brand image.

In contrast, 72% of respondents stated that positive perceptions of brand ambassadors correlated with higher purchasing decisions. This confirms that brand ambassadors who are liked and respected by consumers can significantly increase sales and brand loyalty. Thus, companies should consider investing

in campaigns that highlight reputable brand ambassadors and can strengthen relationships with consumers. These findings demonstrate the important role of brand ambassadors in influencing consumer purchasing behavior. Brand ambassadors not only serve as the face of the product but also as a link between the brand and consumers. An effective strategy should include the use of brand ambassadors who can build trust and provide added value to consumers. The analysis also revealed that 64% of respondents agreed that good product quality contributes to their purchasing decisions. High quality products not only attract consumers but also encourage them to make repeat purchases and recommend the product to others. Therefore, maintaining product quality is the key to maintaining customer satisfaction and driving business growth.

The correlation between perceptions of product quality and the level of consumer trust in brands shows a significant positive relationship, with 85% of respondents stating that they have more trust in brands that offer high quality products. This means that high-quality products can increase consumer trust in the brand, which in turn can increase customer loyalty and retention. Companies must ensure that every product they offer meets high quality standards to build long-term relationships with customers. Data shows that 78% of respondents have a high level of trust in the brands they trust, which is positively correlated with higher purchasing decisions. Consumers who have a high level of trust in a brand are more likely to make a purchase, indicating that building trust is an important component in marketing strategy. Companies must focus on transparency, reliability, and integrity in all their interactions with consumers to build strong trust. This emphasizes the importance of building consumer trust in brand marketing strategies. Consumer trust can be earned in a variety of ways, including providing high-quality products, good customer service, and honest communication. Companies that successfully build this trust will be more likely to see increases in consumer loyalty and sales.

The analysis also highlights the need to pay attention to consumer perceptions of brands and brand ambassadors in developing effective marketing strategies. These perceptions can be influenced by a variety of factors, including product experience, interactions with customer service, and the image projected by brand ambassadors. Companies must continually monitor and adjust their strategies to ensure that they meet and exceed consumer expectations. Conversely, negative perceptions of brand ambassadors and product quality can harm consumers' purchasing decisions. Consumers who have a bad experience with a product or feel uncomfortable with a brand ambassador may look for alternatives. Therefore, companies must be careful in selecting brand ambassadors and ensure that the products they offer always meet the expected quality standards. These findings underscore the importance of maintaining brand image and strengthening consumer trust in influencing purchasing behavior. Brands that successfully project a positive image and build trust with consumers are more likely to see an increase in loyalty and sales. A strategy that focuses on maintaining a good brand image and building consumer trust should be a top priority for the company.

The analysis also highlights the need to understand the interrelationship between factors such as product quality, brand trust, and consumer perceptions of brand ambassadors. These factors are interrelated and can significantly influence consumer purchasing decisions. Companies must adopt a holistic approach that considers all these aspects to develop an effective marketing strategy. These findings provide valuable insights for companies in developing marketing strategies oriented towards building consumer trust and a positive brand image. By understanding how these factors are interrelated and influence purchasing decisions, companies can develop more targeted and effective strategies. Overall, the analysis results show the importance of paying attention to the factors that influence consumer purchasing decisions in the e-commerce context. Companies must focus on how to improve product quality, build brand trust, and use effective brand ambassadors to attract and retain customers. The implication of these findings is the need for a holistic marketing strategy that not only considers product quality but also strengthens consumer trust in the brand and brand ambassadors. By adopting a comprehensive approach, companies can ensure that they meet and exceed consumer expectations, which in turn will increase loyalty and business growth.

Challenges in Applying *Fiqh Muamalah* to E-commerce and Opportunities for Improvement

The digital nature of e-commerce introduces unique challenges to the application of traditional *Fiqh Muamalah* principles. One of the primary issues is the lack of physical interaction between buyers and sellers. Traditional commerce relies heavily on face-to-face transactions, which allow for immediate clarification of terms and conditions. In contrast, e-commerce transactions are conducted remotely, often with limited direct communication, which can lead to misunderstandings and disputes. Reliance on electronic communications is another challenge. Traditional *Fiqh Muamalah* emphasizes the importance of clear and transparent communication in commercial transactions to prevent ambiguity and deceit. However, in e-commerce, communication is typically mediated through digital interfaces, which can sometimes obscure or simplify complex contractual terms, potentially leading to issues of *gharar* (excessive uncertainty). Digital authentication is also a critical issue in the context of e-commerce. In traditional commerce, the presence of physical signatures and tangible contracts helps to verify the authenticity and legitimacy of transactions. However, e-commerce relies on digital signatures and electronic records, which, while convenient, can be more susceptible to fraud and cybercrime. Ensuring the integrity and security of these digital authentication methods is crucial for maintaining trust in e-commerce transactions.

Additionally, the fast-paced and global nature of e-commerce poses challenges for the application of *Fiqh Muamalah*. Islamic jurisprudence traditionally involves detailed and context-specific rulings, which can be difficult to adapt quickly to the ever-evolving digital marketplace. The rapid development of new business models and technologies in e-commerce requires continuous scholarly engagement to ensure that *Fiqh Muamalah* principles are appropriately applied. The use of digital currencies and electronic payments in e-commerce also raises significant concerns. *Fiqh Muamalah* prohibits *riba* (usury) and emphasizes the need for fair and transparent financial transactions. The integration of digital payment methods, such as credit cards and cryptocurrencies, into e-commerce platforms requires careful examination to ensure they do not involve usury or other prohibited elements. Moreover, the issue of product and service verification is more complex in e-commerce. Traditional commerce allows buyers to physically inspect goods before purchasing, ensuring that they meet the expected standards and quality. In contrast, e-commerce transactions often involve buying goods based on digital descriptions and images, which can sometimes be misleading. This can raise concerns about the permissibility of transactions under Islamic law if they result in significant *gharar*.

Jurisdictional issues also complicate the application of *Fiqh Muamalah* to e-commerce. Online transactions often cross national borders, subjecting them to multiple legal and regulatory frameworks. This can create conflicts between Shariah principles and local laws, requiring careful navigation to ensure compliance with both. Consumer protection is another critical area. Traditional *Fiqh Muamalah* emphasizes the protection of consumer rights and the ethical treatment of all parties in a transaction. Ensuring that e-commerce platforms uphold these values in their business practices can be challenging, particularly in the absence of strong regulatory oversight.

Data privacy and security concerns are also paramount. E-commerce platforms collect and store vast amounts of personal data, which must be protected to prevent misuse and ensure compliance with Islamic ethical standards. Maintaining data integrity and preventing breaches are essential to uphold trust and protect consumer rights. Finally, the rapid pace of technological innovation presents both opportunities and challenges for integrating *Muamalah Fiqh* into e-commerce. While new technologies can facilitate compliance and enhance transparency, they also require constant updates to legal and regulatory frameworks to keep pace with the changes. This necessitates ongoing collaboration between scholars, regulators, and industry stakeholders.

Education and awareness play a crucial role in enhancing the integration of *Fiqh Muamalah* in e-commerce. Increasing the knowledge and understanding of Islamic commercial principles among both consumers and producers can help ensure that transactions are conducted in a manner consistent with Shariah law. Educational programs and workshops can be developed to inform stakeholders about the principles of *Fiqh Muamalah* and how they apply to digital commerce. Strengthening regulatory

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frameworks is another key opportunity. Governments and regulatory bodies can develop and enforce guidelines that support Shariah-compliant e-commerce. This can include creating certification systems for platforms and businesses that adhere to Islamic principles, providing consumers with assurance and building trust in the marketplace. Developing technological solutions can also facilitate compliance with *Fiqh Muamalah*. Digital tools and platforms can be designed to ensure transparency, fairness, and security in e-commerce transactions. For example, blockchain technology can provide immutable records of transactions, enhancing trust and reducing the potential for fraud. Similarly, smart contracts can automate compliance with Shariah principles, ensuring that all terms and conditions are met before a transaction is completed.

Enhancing collaboration between scholars and industry stakeholders can help address the challenges of applying *Fiqh Muamalah* to e-commerce. Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape. Promoting ethical business practices is essential for aligning e-commerce with *Fiqh Muamalah*. Companies can adopt and promote ethical standards that reflect Islamic values, such as honesty, fairness, and transparency. This can help build consumer trust and loyalty, ultimately benefiting businesses and the broader e-commerce ecosystem. Supporting research and development in the field of Islamic e-commerce can also drive improvements. Investing in research can provide valuable insights into consumer behavior, market trends, and the effectiveness of different compliance strategies. This knowledge can inform policy-making and business practices, helping to create a more robust and Shariah-compliant e-commerce environment. Fostering consumer engagement and feedback mechanisms can also enhance compliance with *Fiqh Muamalah*. Providing platforms for consumers to share their experiences and concerns can help businesses identify areas for improvement and ensure that they meet the needs and expectations of their customers. Engaging with consumers in this way can also build a sense of community and shared values, strengthening the overall e-commerce ecosystem.

Encouraging innovation in Shariah-compliant financial products and services can support the growth of Islamic e-commerce. Developing new financial instruments that align with *Fiqh Muamalah* principles can provide consumers and businesses with more options for conducting transactions in a compliant manner. This can include Islamic fintech solutions, such as interest-free payment systems and Shariah-compliant investment platforms. Creating awareness campaigns that highlight the benefits of Shariah-compliant e-commerce can also drive consumer adoption. These campaigns can educate consumers about the ethical advantages of Shariah-compliant products and services, promoting a more conscious and values-driven approach to online shopping.

Finally, leveraging international cooperation and knowledge sharing can enhance the application of *Fiqh Muamalah* to e-commerce. By learning from best practices and successful models in other countries, Malaysia and Indonesia can further refine their regulatory frameworks and business practices to better support Shariah-compliant e-commerce. This global perspective can provide valuable insights and help overcome common challenges.

Conclusion

Through understanding the research questions, several important conclusions can be drawn as follows; *First*, there are variations in the understanding and application of *Fiqh* principles *Muamalah* by e-commerce consumers, shows the importance of increasing their education and awareness of these principles. *Second*, there are significant differences in e-commerce consumer behavior between Indonesia and Malaysia, which are influenced by cultural, regulatory and technological factors. These differences highlight the need for marketing strategies tailored to local market characteristics. *Third*, challenges in

applying *Fiqh* principles Disadvantages of e-commerce include inadequate infrastructure and the adaptation of these principles to a rapidly evolving digital context. However, these challenges also provide opportunities to improve regulations and develop innovative technological solutions to improve e-commerce practices in accordance with Islamic principles. Thus, a better understanding of the principles of *Muamalah Fiqh*, consumer behavior, and efforts to overcome challenges in implementing these principles can open opportunities for improvements and advancements in e-commerce in the future.

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3. Perbaikan Revisi 1

Realising Justice and *Mashlahah* in E-Commerce Practices through *Fiqh Muamalah*: A Study on Consumer and Producer Understanding and Behavior in Malaysia and Indonesia

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Abstract: This study aims to explore how *Fiqh Muamalah* principles can realise justice and *mashlahah* in e-commerce practices, focusing on the understanding and behavior of consumers and producers in Malaysia and Indonesia. The research investigates how these Islamic legal principles are integrated and practised within the digital marketplace. The primary data sources include e-commerce users from Malaysia and Indonesia, specifically consumers and producers. Data were collected through in-depth interviews with diverse participants to ensure a broad representation of perspectives. The data were analysed using qualitative methods, including thematic analysis. The results reveal significant insights into the current state of justice and *mashlahah* in e-commerce through the lens of *Fiqh Muamalah*. While producers generally demonstrate a higher awareness and understanding of these principles, their application varies widely. Consumers show a mixed experience level, often influenced by educational background and exposure to Islamic commerce-related teachings. The study identifies key challenges in implementing justice and *mashlahah*, such as a need for standardised guidelines and varying interpretations of *Fiqh Muamalah* principles. The study concludes that although there is notable awareness of justice and *mashlahah* among e-commerce participants, there is a pressing need for more structured education and regulatory frameworks to ensure these principles are consistently and effectively integrated into e-commerce practices. Recommendations for policymakers and educational institutions include developing comprehensive training programs and clear guidelines to bridge the gap between understanding and practice, ensuring that e-commerce practices in Malaysia and Indonesia align with *Fiqh Muamalah* principles.

Keywords: justice and *maslahah*, e-commerce, Islamic principles, consumer behaviour, producer behaviour



Introduction

Over the past few decades, digital technology has fundamentally transformed economic interactions, creating a new paradigm where increasing transactions occur digitally. In this context, the principles of *Fiqh Muamalah*, which govern Islamic financial transactions, must adapt to the rapidly evolving digital era to ensure justice and *mashallah* are realised in e-commerce practices. A British research institute reported that the rapid growth of Indonesia's e-commerce sector underscores the importance of integrating these principles to guide consumer and producer behaviour. In Malaysia and Indonesia, understanding and implementing *Fiqh Muamalah* in digital transactions is essential for fostering an ethical, fair, and sustainable e-commerce environment (Nofrizal et al., 2023). By 2023, global online clothing sales are expected to contribute 600 billion USD, representing 27% of global fashion retail (Statista, 2024). Indonesian e-commerce revenue is projected to reach 62.59 billion USD in 2022, with 221 million users by 2025 (Statista, 2022). The Indonesian e-commerce market is anticipated to grow by 42% between 2012 and 2022, surpassing other nations like Malaysia, Thailand, and the Philippines. Tokopedia and Shopee control most of the Indonesian e-commerce market, with 35% and 34%, respectively. However, many startups worldwide and in Indonesia face potential bankruptcy and employee cuts post-COVID-19 recovery (Nofrizal et al., 2023). Survey Results Confirm Rapid Shift in Customer Interaction with Digital Channels. On average, 58% of customer interactions worldwide after the COVID-19 pandemic are digital compared to 36% during the pre-pandemic period, reaching 80%. One opportunity that can be leveraged from the digital economy is assisting in accelerating Indonesian businesses by empowering micro, small, and medium enterprises (MSMEs) and developing the Islamic economy. Indonesia has nearly 64 million MSMEs in its economy. They contribute 97% of the country's workforce, accounting for more than 60% of GDP (Kemenkeu, 2022). Digital Transformation in the economy also changes economic behaviour patterns as the growth of digital technology has altered consumer shopping habits, producers marketing their products, and other economic actors interacting. As a result, the public increasingly tends to conduct transactions online through e-commerce platforms, digital banking applications, and other financial technologies.

Nationally, Indonesian law already supports an Islamic economy. As technology advances, so does the evolution of *fiqh* (Islamic jurisprudence) by the changing times. It can be observed that Islamic finance, such as Islamic banking, insurance, capital markets, *sukuk* (Islamic bonds), and even digital charitable endowments (*waqf*), have been implemented online (Sukiati et al., 2023). Furthermore, Muslim fashion is increasingly developing in terms of production and consumer aspects, not only in the economic sphere but also in the fashion industry. Similarly, Islamic tourism must be regulated within *Fiqh Muamalah* (Islamic transactional jurisprudence), addressing the contracts and principles involved to ensure the financial aspects of Islamic tourism align with Islamic teachings. In digital finance, *Fiqh Muamalah* guides how to conduct electronic transactions with principles of fairness and cleanliness. The *riba* (interest) concept in *Fiqh Muamalah* emphasises avoiding transactions involving interests, which can harm the economically weaker party. This is highly relevant in digital financial products such as online loans and investments, where these principles can help maintain fairness and economic sustainability. As an integral part of the digital era, E-commerce is also influenced by *Fiqh Muamalah* principles.

At its core, the concept of *Fiqh Muamalah* (Islamic transactional jurisprudence) emphasises transparency, honesty, and fairness in every transaction, which is essential for realising justice and *mashlahah* in e-commerce practices (Nahlah et al., 2022). In the context of e-commerce, this includes accurate product descriptions, fair return policies, and robust consumer protection. *Fiqh Muamalah* provides ethical guidance for online business actors to ensure that transactions are conducted with good faith and adherence to high moral standards. This guidance helps consumers and producers in Malaysia and

Indonesia navigate the complexities of digital transactions while upholding Islamic principles. Furthermore, emerging cryptocurrencies as digital assets present challenges and opportunities for applying *Fiqh Muamalah*. Although classical Islamic sources do not directly reference cryptocurrencies, principles such as fairness, transparency, and avoiding excessive ambiguity (*gharar*) can be applied to assess their permissibility. Understanding the Islamic legal implications of digital currencies, including aspects like speculation, volatility, and uncertainty, is crucial. The relevance of *Fiqh Muamalah* in the digital era extends beyond finance to e-commerce and other areas affected by technology. Adopting the values and principles of *Fiqh Muamalah* in digital transactions ensures a sustainable and fair economy while fostering an ethical and responsible business environment. Therefore, a deep understanding of *Fiqh Muamalah* becomes increasingly important for consumers and producers amid the continuous changes in the digital landscape in Malaysia and Indonesia.

Social scientists have paid considerable attention to that phenomenon with various themes, for instance, Mersi Hayati, et. all (M. Hayati, 2024) on Islamic jurisprudence on transactions of e-commerce, Chen, et al. (Chen et al., 2023) on e-commerce live streaming, Dian Sudiantini, et.all (Sudiantini, 2023) on "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" and on the Islamic principles on e-commerce behaviors by Serliana, at.all (Al., 2023); Mirzam Arqy Ahmadi, et. all (Ahmadi & et al, 2023). and Mupida, et. all (Mupida & Mahmadatun, 2021)., also Azam (Azam, 2021), and Suhroji Adha (Adha, 2022). This research differs from previous studies by providing a detailed qualitative examination of how consumers and producers in Malaysia and Indonesia understand and behave within the e-commerce market for Muslim fashion products. It focuses on realising justice and *mashlahah* in e-commerce practices through an in-depth exploration of their perceptions and actions.

Using this approach, the data findings from the study will address the previously mentioned challenges and reformulate the development of *Fiqh Muamalah* in the context of digital technology advancements. Developing *Fiqh Muamalah* in the digital era is not just about applying existing principles but also about aligning them with the new dynamics of the digital economy. This research is crucial for understanding contemporary economic dynamics and ensuring economic practices align with Islamic values. Through this research, relevant and sustainable solutions can be found to strengthen the foundation of Islamic financial law in addressing the challenges and opportunities presented by the digital revolution. As e-commerce spreads worldwide, many Muslims question whether this new form of commerce is acceptable under Sharia (Islamic Law). This research aims to study the Islamic perspectives on e-commerce, particularly its transactions, and the rights and behaviours of producers and consumers. Specifically, the study will explore three main research questions: 1) how do e-commerce consumers and producers in Malaysia and Indonesia understand and apply the principles of *Fiqh Muamalah* to achieve justice and *mashlahah*? 2) what challenges and opportunities arise in applying *Fiqh Muamalah* principles to e-commerce practices, and how can these principles be better integrated to enhance justice and *mashlahah* in Malaysia and Indonesia? By addressing these questions, the research seeks to realise justice and *mashlahah* in e-commerce practices by applying *Fiqh Muamalah* principles and fostering an ethical, fair, and sustainable e-commerce environment in Malaysia and Indonesia.

Literature Review

E-commerce in Malaysia and Indonesia

Malaysia and Indonesia have experienced substantial growth in e-commerce, driven by robust government initiatives and increasing internet penetration. Both countries have recognised the potential of e-commerce to boost economic development and have actively promoted its adoption. The government has launched various programs in Malaysia, such as the Digital Free Trade Zone (DFTZ), to facilitate cross-border e-commerce and attract global e-commerce players (Hassan & Ali, 2020). Similarly, Indonesia has implemented the "Making Indonesia 4.0" roadmap to enhance digital infrastructure and encourage e-commerce activities (Rachmawati & Widodo, 2021). To ensure that e-commerce activities align with Islamic principles, both countries have developed regulatory frameworks. In Malaysia, the Malaysian

Digital Economy Corporation (MDEC) and Shariah Advisory Council have collaborated to provide guidelines for Shariah-compliant e-commerce (Nordin & Rahman, 2021). These guidelines cover various aspects, such as contract transparency, *riba* (usury) prohibition, and avoiding *gharar* (excessive uncertainty). Similarly, Indonesia's National Sharia Board (DSN-MUI) has issued fatwas and guidelines to ensure e-commerce transactions comply with Islamic law (Aziz & Hanifah, 2020).

However, the application and understanding of these Islamic principles in e-commerce varies among consumers and producers. While some businesses and consumers strictly adhere to these guidelines, others may need more awareness or understanding of the specific requirements for Shariah compliance. This variability can lead to inconsistency in how e-commerce is practised and perceived within the market (Alam & Yasin, 2019). For example, issues such as unclear terms of service, non-compliant payment methods, and the sale of non-halal products can undermine consumer confidence and trust in e-commerce platforms (Nordin & Rahman, 2021). Despite these challenges, both Malaysia and Indonesia continue to make strides in promoting Shariah-compliant e-commerce. Educational programs and workshops are being implemented to increase consumer and producer awareness and understanding of Fiqh Muamalah principles. Technological innovations like blockchain are also explored to enhance transparency and trust in e-commerce transactions (Ibrahim & Sulaiman, 2020). Overall, the continued development of Shariah-compliant e-commerce frameworks in Malaysia and Indonesia demonstrates a commitment to integrating Islamic principles with modern digital commerce, ensuring that the benefits of e-commerce are realised in a manner consistent with Islamic values.

The emergence of various digital applications as payment tools marks a significant indicator of the financial sector's development in the era of the digital economy. It's not surprising that society has begun to develop and use digital applications related to economic systems, leading to the frequent discussion of financial technology or fintech among digital economy players. The digital economy has grown and evolved over the current period due to its increasing globalisation (L. E. Nasution & Padli, 2023). According to Musafaki, in Alfiani Munawwar's research, the digital economy is based on electronic products and services produced by electronic companies and traded through electronic commerce. These companies have electronic production and management processes and interact with partners and customers, conducting transactions through the Internet and network technology (Al Munawwarah, 2022). While Hinting, as stated by Nila Dwi Aprilia's, the digital economy is a business conducted through virtual media, creating and exchanging value, transactions, and mature relationships among economic actors using the Internet as a medium of exchange. The digital economy becomes an economic aspect based on utilising and empowering digital information and communication technology. Digital users, such as the public and entrepreneurial actors, play a significant role in this digital economy. Tapscott, cited by Dewi Sartika Nasution et al., stated that there are twelve crucial characteristics of the digital economy that managers should understand and be aware of: Knowledge, Digitization, Virtualization, Molecularization, Internetworking, Disintermediation, Convergence, Innovation, Presumption, Immediacy, Globalization, and Discordance (D. S. Nasution, 2019).

Furthermore, Malaysia and Indonesia's cultural and religious diversity adds another layer of complexity to Islamic e-commerce practices. While Islam is the predominant religion in both countries, there are also significant minority populations with different religious beliefs. This diversity influences consumer preferences and purchasing behaviours, particularly halal products and services. Therefore, ensuring inclusivity and catering to the needs of all consumer segments is essential for the success of the Shariah-compliant e-commerce platform (Abdul Rahman & Yusof, 2023). Despite the challenges and complexities, the potential benefits of Islamic e-commerce in Malaysia and Indonesia are vast. Beyond economic growth, Shariah-compliant e-commerce can foster social cohesion and ethical business practices grounded in Islamic values. By promoting fairness, transparency, and accountability in commercial transactions, Islamic e-commerce contributes to the broader goal of sustainable and ethical business practices in the digital age. Therefore, continued collaboration between governments, businesses, religious

scholars, and consumers is essential to develop further and promote Islamic e-commerce in Malaysia and Indonesia, ensuring its alignment with religious principles and modern business practices.

Understanding and Behavior of producers and consumers

Research on economic behaviour in the digital world (development of Islamic jurisprudence in transactions in the digital era) has been conducted by various researchers, including Shamim et al. I, who studied how social media influencers induce the urge to buy impulsively in a social commerce context. Based on signalling theory, this study investigates the impact of Fashion Influencers (FIs) on consumers' impulsive buying (UBI) in social commerce. It focuses on key factors contributing to trust in FIs' branded posts and how persuasion knowledge moderates the trust-UBI relationship. Using PLS-SEM on 452 Pakistani social media users' responses, it was found that trust in FI's posts positively affects UBI. Influencer Credibility (IC), Message Credibility (MC), and Media Credibility (MeC) are significant factors contributing to trust. Persuasion knowledge moderates the trust-UBI relationship, with trust in FI's posts mediating the connection between IC, MC, MeC, and UBI. These findings contribute to the literature and offer valuable insights for fashion marketers to build trust-centric relationships with followers, ultimately boosting UBI in social commerce (Shamim et al., 2024).

Chen et al. (Chen et al. 2023) researched product uncertainty in live-streaming e-commerce from a signal consistency perspective. Drawing from signalling theory and uncertainty literature, they found consistent signals can decrease product uncertainty, enhancing consumers' purchase intentions. With a sample of 338 live shoppers, they discovered that anchor-product fit, live content-product fit, and content-product fit negatively impact product quality uncertainty and product fit uncertainty. Self-product fit negatively affects both product quality uncertainty and product fit uncertainty. Product quality uncertainty positively influences product fit uncertainty, and all three uncertainties significantly negatively impact purchase intention. Further analysis suggests combining four signal consistency cues and two product uncertainties in three causal configurations can lead to high purchase intention. This research contributes to the existing body of knowledge and offers valuable guidance for e-commerce live-streaming sellers and platforms to make strategic decisions.

Another study by Dian Sudiantini et al. I (Sudiantini, 2023), entitled "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy", found that in the era of globalisation and digitalisation, the digital economic transformation has become an increasingly crucial phenomenon affecting almost every aspect of life. On the one hand, digital economic transformation can positively impact global economic growth, enabling business innovations and enhancing international collaboration. On the other hand, it presents challenges that need to be addressed, such as regulatory issues, insufficient skills and public awareness, and inadequate technological infrastructure.

Mersi Hayati et al. I (M. Hayati, 2024), on the other hand, stated that Islamic jurisprudence of transactions has evolved in line with technological advances in electronic transactions. The development of Islamic law in the modern era reflects the efforts of scholars and academics to interpret Islamic values so they can be applicable and relevant in new environments. The evolution of Islamic law in financial transactions, particularly with the emergence of contemporary financial instruments, requires comprehensive research to ensure that these changes align with Islamic values and principles of justice. Islamic jurisprudence plays a crucial role in facing new challenges in economics and finance. Responses to such changes, such as Islamic banking, Islamic insurance, and technology-based financial transactions, reflect efforts to ensure that Islamic principles remain firmly upheld in an ever-changing environment. Individual rights protection, social justice, and environmental concerns become the primary focus in addressing these new challenges. The reformulation of Islamic jurisprudence of transactions means reinvigorating it to adapt to modern life, allowing the study of Islamic jurisprudence to evolve. To achieve this, various tools and disciplines of Islamic jurisprudence and moral principles are required to ensure that Islamic jurisprudence is formulated by Islamic law and within its framework.

E-commerce behaviour has also been a critical and significant issue in the development of *Fiqh Muamalah*. Suhroji Adha, for example, in his research entitled "Factors of Consumer Behavior Revolution in the Digital Era: A Literature Review", found that consumer attitudes towards marketing have changed due to the digital revolution. How consumers search, pay, use, and dispose of products they have purchased after using them reflects changes in consumer behaviour. Media consumption habits have also greatly changed, forcing marketers to develop new strategies and find ways to improve customer attraction. In digital marketing, today's consumers tend to demand more than they desire in traditional marketing. Information technology is rapidly advancing, constantly providing them with information. Customers sometimes have more knowledge than marketers due to the abundance of it. Because of this, customers lose trust in the messages marketers use to promote their products (Adha, 2022). On the other point of view, Irma Rumtiani et al., using the prophetic Hadiths approach in their study, stated that digitalisation in the goods and services exchange model has greatly facilitated humans in obtaining all their living needs quickly and cheaply. The emergence of digital technology is indeed something to be grateful for and welcomed. However, it is crucial to recognise the negative impacts of the rise of digital technology. Hedonistic tendencies and excessive indulgence in consumption accompany the ease of shopping in the current digital era.

Research on economic behaviour in the digital realm, particularly within e-commerce, has drawn significant attention from scholars. Studies by Shamim et al. and Chen et al. delve into the intricacies of consumer behaviour and the impact of influencers in social commerce, shedding light on trust-building mechanisms and purchase intentions. Meanwhile, Dian Sudiantini et al.'s research underscores the pivotal role of digital transformation in shaping global economies, emphasising its positive impacts alongside challenges such as regulatory issues and skill shortages. Moreover, Mesri Hayati et al. discuss the evolution of Islamic jurisprudence in financial transactions, highlighting the need for alignment with modern technological advancements while upholding Islamic principles. Additionally, Suhroji Adha's examination of the consumer behaviour revolution in the digital era elucidates shifting attitudes and demands, necessitating novel marketing strategies. Conversely, Irma Rumtiani et al. present a cautionary perspective, emphasising the potential negative impacts of digitalisation, including hedonistic consumption patterns. These diverse studies collectively contribute to a comprehensive understanding of the intersection between e-commerce, consumer behaviour, Islamic principles, and digital transformation, paving the way for informed strategies and policies in the evolving digital landscape.

Method

This research adopts a qualitative approach to address the research questions comprehensively. By focusing on qualitative data collection and analysis, the study aims to explore e-commerce practices through the lens of *Fiqh Muamalah* and the principles of justice and *mashlahah*. Research process stages: first, the research begins with an extensive literature review to gather existing knowledge on economic behaviour in the digital world, particularly the development of *Fiqh Muamalah* in the digital era. This review includes theories, concepts, and expert opinions in digital business and Islamic economic law. Second, qualitative data was collected through observations, in-depth interviews, and focus group discussions (FGDs) with consumers and producers of Muslim fashion products in Indonesia and Malaysia.

These methods aimed to explore the impact of consumer and producer understanding and behaviour on e-commerce practices. The data was collected online using Google Forms, with survey links shared through social media channels such as Facebook, Instagram, and WhatsApp. A snowball sampling method was employed, targeting individuals aged 17 to 40 years and above, as this age group is most active on social media. Third, the qualitative data was analysed using thematic analysis to identify key themes and insights related to understanding and applying *Fiqh Muamalah* principles. This approach allowed for a detailed examination of the challenges and opportunities in applying these principles to ensure justice and *mashlahah* in the digital marketplace. By employing a qualitative methodology, this research aims to provide valuable insights into how justice and *mashlahah* can be realised in e-commerce

practices in Malaysia and Indonesia. The findings will contribute to developing a fair and ethical digital economy, aligning with the principles of *Fiqh Muamalah*.

Results and Discussion

Insights from Indonesia and Malaysia on Understanding and Application of *Fiqh Muamalah* Principles in E-Commerce

Integrating *Fiqh Muamalah* principles into e-commerce practices to ensure justice and *mashlahah* presents a combination of challenges and opportunities, particularly in Malaysia and Indonesia. Demographic data and survey responses compiled on a Likert scale show that 70% of respondents were between the ages of 17 and 40 years or older, with the majority coming from various occupational backgrounds. This reflects the demographic diversity of e-commerce users in these countries, indicating that various age groups and job types are interested in online shopping. E-commerce platforms can thus reach diverse market segments, which is crucial for an inclusive marketing strategy. Respondents' online shopping duration varied, with 65% reporting spending more than one hour per week shopping online, highlighting the importance of a good user experience and easy navigation to maintain consumer interest.

One primary issue is more physical interaction between buyers and sellers. Traditional commerce relies heavily on face-to-face transactions, which allow for immediate clarification of terms and conditions. In contrast, e-commerce transactions are conducted remotely, often with limited direct communication, leading to misunderstandings and disputes. This challenge is exacerbated when considering cash-on-delivery (COD) transactions, which add another layer of complexity. COD transactions, while convenient for consumers wary of online payments, can lead to issues of trust and accountability between buyers and sellers, as the product exchange and payment occur simultaneously at the point of delivery (Mahran & Sebyar, 2023). This method can only be problematic if the delivered product meets the buyer's expectations or if the seller receives payment as agreed. Reliance on electronic communications presents another challenge. Traditional *Fiqh Muamalah* emphasises the importance of clear and transparent communication in commercial transactions to prevent ambiguity and deceit. However, in e-commerce, communication is typically mediated through digital interfaces, which can sometimes obscure or simplify complex contractual terms, potentially leading to issues of *gharar* (excessive uncertainty). Digital authentication is also a critical issue in the context of e-commerce. In traditional commerce, physical signatures and tangible contracts help to verify the authenticity and legitimacy of transactions. However, e-commerce relies on digital signatures and electronic records, which, while convenient, can be more susceptible to fraud and cybercrime. Ensuring the integrity and security of these digital authentication methods is crucial for maintaining trust in e-commerce transactions.

On the purchasing decision scale, 60% of respondents agree that developing consumer loyalty and product quality influences purchasing decisions. This suggests that factors such as brand trust and product quality play an important role in consumer decision-making. Marketers must focus on increasing consumer loyalty and ensuring the products offered are of high quality to attract and retain customers. These results also show that 75% of respondents agree or strongly agree that consumer trust in brands and brand ambassadors strongly correlates with purchasing decisions. Consumers who trust a brand are likelier to repeat purchases and recommend the product to others. Therefore, building and maintaining consumer trust should be a top priority for e-commerce companies. When reviewed further, the product quality assessment shows an increasingly strong positive correlation with consumer trust in the brand, with 80% of respondents stating that good product quality increases their trust in the brand. High-quality products meet consumer expectations and increase positive perceptions of the brand as a whole. This shows that investing in product quality is an effective strategy for building a strong brand reputation.

The fast-paced and global nature of e-commerce poses challenges when applying for *Fiqh Muamalah*. Islamic jurisprudence traditionally involves detailed and context-specific rulings, which can take time to adapt quickly to the ever-evolving digital marketplace. The rapid development of new business models and technologies in e-commerce requires continuous scholarly engagement to ensure that *Fiqh Muamalah*

principles are appropriately applied. Using digital currencies and electronic payments in e-commerce also raises significant concerns. *Fiqh Muamalah* prohibits *riba* (usury) and emphasises the need for fair and transparent financial transactions. Integrating digital payment methods, such as credit cards and cryptocurrencies, into e-commerce platforms requires careful examination to ensure they do not involve usury or other prohibited elements. Moreover, the issue of product and service verification is more complex in e-commerce. Traditional commerce allows buyers to physically inspect goods before purchasing, ensuring that they meet the expected standards and quality. In contrast, e-commerce transactions often involve buying goods based on digital descriptions and images, which can sometimes be misleading. This can raise concerns about the permissibility of transactions under Islamic law if they result in significant *gharar*.

Regarding perceptions of brand ambassadors, 68% of respondents tend to give higher ratings to brands with brand ambassadors who are viewed positively. Effective brand ambassadors can improve brand image and attract consumer attention. Therefore, selecting the right brand ambassadors and ensuring they align with brand values is an important strategy to strengthen branding. The results of the analysis show that negative perceptions of brand ambassadors tend to correlate with lower purchasing decisions, with 55% of respondents stating that they are less likely to purchase from brands with brand ambassadors they dislike. This suggests that brand ambassadors that consumers dislike or do not trust can harm the brand and reduce consumers' purchase intentions. Therefore, it is important for companies to carefully evaluate and select brand ambassadors who can strengthen, not damage, the brand image.

Jurisdictional issues also complicate the application of *Fiqh Muamalah* to e-commerce. Online transactions often cross national borders, subjecting them to multiple legal and regulatory frameworks. This can create conflicts between Shariah principles and local laws, requiring careful navigation to ensure compliance with both. Consumer protection is another critical area. Traditional *Fiqh Muamalah* emphasizes the protection of consumer rights and the ethical treatment of all parties in a transaction. Ensuring that e-commerce platforms uphold these values in their business practices can be challenging, particularly in the absence of strong regulatory oversight. Data privacy and security concerns are also paramount. E-commerce platforms collect and store vast amounts of personal data, which must be protected to prevent misuse and ensure compliance with Islamic ethical standards. Maintaining data integrity and preventing breaches are essential to uphold trust and protect consumer rights. Finally, the rapid pace of technological innovation presents both opportunities and challenges for integrating *Fiqh Muamalah* into e-commerce. While new technologies can facilitate compliance and enhance transparency, they also require constant updates to legal and regulatory frameworks to keep pace with the changes. This necessitates ongoing collaboration between scholars, regulators, and industry stakeholders.

In contrast, 72% of respondents stated that positive perceptions of brand ambassadors correlated with higher purchasing decisions. This confirms that brand ambassadors who are liked and respected by consumers can significantly increase sales and brand loyalty. Thus, companies should consider investing in campaigns that highlight reputable brand ambassadors and can strengthen relationships with consumers. These findings demonstrate the important role of brand ambassadors in influencing consumer purchasing behavior. Brand ambassadors not only serve as the face of the product but also as a link between the brand and consumers. An effective strategy should include the use of brand ambassadors who can build trust and provide added value to consumers. The analysis also revealed that 64% of respondents agreed that good product quality contributes to their purchasing decisions. High quality products not only attract consumers but also encourage them to make repeat purchases and recommend the product to others. Therefore, maintaining product quality is the key to maintaining customer satisfaction and driving business growth. The correlation between perceptions of product quality and the level of consumer trust in brands shows a significant positive relationship, with 85% of respondents stating that they have more trust in brands that offer high quality products. This means that high-quality products can increase consumer trust in the brand, which in turn can increase customer loyalty and retention. Companies must ensure that every product they offer meets high quality standards to build long-term

relationships with customers. Data shows that 78% of respondents have a high level of trust in the brands they trust, which is positively correlated with higher purchasing decisions. Consumers who have a high level of trust in a brand are more likely to make a purchase, indicating that building trust is an important component in marketing strategy. Companies must focus on transparency, reliability, and integrity in all their interactions with consumers to build strong trust.

Education and awareness play a crucial role in enhancing the integration of *Fiqh Muamalah* in e-commerce. Increasing the knowledge and understanding of Islamic commercial principles among both consumers and producers can help ensure that transactions are conducted in a manner consistent with Shariah law. Educational programs and workshops can be developed to inform stakeholders about the principles of *Fiqh Muamalah* and how they apply to digital commerce (Shah & Susilo, 2022). Strengthening regulatory frameworks is another key opportunity. Governments and regulatory bodies can develop and enforce guidelines that support Shariah-compliant e-commerce. This can include creating certification systems for platforms and businesses that adhere to Islamic principles, providing consumers with assurance and building trust in the marketplace. Developing technological solutions can also facilitate compliance with *Fiqh Muamalah*. Digital tools and platforms can be designed to ensure transparency, fairness, and security in e-commerce transactions (Wibowo & Sebyar, 2024). For example, blockchain technology can provide immutable records of transactions, enhancing trust and reducing the potential for fraud. Similarly, smart contracts can automate compliance with Shariah principles, ensuring that all terms and conditions are met before a transaction is completed.

Enhancing collaboration between scholars and industry stakeholders can help address the challenges of applying *Fiqh Muamalah* to e-commerce (Nofrizal et al., 2023). Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape (Kertati et al., 2023). Promoting ethical business practices is essential for aligning e-commerce with *Fiqh Muamalah*. Companies can adopt and promote ethical standards that reflect Islamic values, such as honesty, fairness, and transparency. This can help build consumer trust and loyalty, ultimately benefiting businesses and the broader e-commerce ecosystem. Supporting research and development in the field of Islamic e-commerce can also drive improvements. Investing in research can provide valuable insights into consumer behavior, market trends, and the effectiveness of different

Challenges and Opportunities in Ensuring *Justice* and *Mashlahah* in E-Commerce

The integration of *Fiqh Muamalah* principles into e-commerce practices poses several challenges and opportunities in achieving justice and *mashlahah*. One significant challenge is the lack of standardized guidelines. Both consumers and producers often face difficulties in interpreting and consistently applying *Fiqh Muamalah* principles, largely due to the absence of clear, standardized guidelines. This inconsistency can lead to confusion and non-compliance, undermining the principles of fairness and transparency that are central to *Fiqh Muamalah*. *Fiqh Muamalah* is a branch of Islamic jurisprudence that deals with the laws governing human interactions in social, economic, and business transactions. The term "*muamalah*" itself refers to the relationships between individuals or groups in the context of trade, finance, agreements, and other dealings involving transactions and obligations. Theories and principles underlying *Fiqh Muamalah* include several key principles such as justice, kindness, public interest, piety, customs, trust, agreement, halal and haram, tolerance, and fulfillment of obligations.

Ethical dilemmas also arise from the competitive nature of the digital marketplace (Al Munawarah, 2022). Producers and consumers are frequently confronted with situations where maintaining principles of fairness and transparency is challenging. The pressure to compete can sometimes result in practices that conflict with the ethical standards outlined in *Fiqh Muamalah*, such as engaging in deceptive advertising or unfair pricing strategies. These ethical dilemmas are compounded by the varying interpretations of *Fiqh Muamalah* principles. Differences in cultural and legal contexts, particularly in cross-border transactions,

add complexity to their application. What is considered compliant in one jurisdiction may not be viewed the same way in another, leading to inconsistencies and potential disputes.

Principles in *Fiqh Muamalah* include *al-'Adl wa al-'Ihsan* (Justice and Kindness), emphasizing the importance of justice and honesty in every transaction, and *al-Maslahah* (Public Interest), which stresses the need to consider public interest in every interaction (Rizal & Soemitra, 2022). The principle of *al-Taqwa* (Piety) underscores the importance of piety to Allah in every aspect of life, including *muamalah*. The principle of *al-'Urf* (Customs) recognizes the importance of customs in determining *muamalah* laws, allowing flexibility in the application of laws to meet the needs of society (Karimuddin et al., 2024). Despite these challenges, there are significant opportunities to enhance the application of *Fiqh Muamalah* principles in e-commerce. Education and training represent a crucial opportunity (R. F. Hayati et al., 2023). By providing comprehensive training programs for both consumers and producers, the gap between understanding and practice can be bridged. These programs can ensure that stakeholders are well-informed about the principles of *Fiqh Muamalah* and how to apply them consistently in their transactions. Enhanced education can lead to a more uniform application of these principles, fostering a fairer and more transparent digital marketplace. Policymakers also have the opportunity to develop regulatory frameworks that support the integration of *Fiqh Muamalah* principles in e-commerce (Shah & Susilo, 2022). Such frameworks can provide clear guidelines and standards, helping to ensure that digital transactions are conducted ethically and in alignment with Islamic values. By establishing regulatory oversight, policymakers can address the inconsistencies and ethical dilemmas that currently challenge the application of *Fiqh Muamalah* in e-commerce. These frameworks can also facilitate international trade by providing a common standard for cross-border transactions, reducing the complexity and potential for disputes.

Technological innovations offer another significant opportunity. Advancements such as blockchain technology can play a crucial role in ensuring compliance with *Fiqh Muamalah* principles (Benner, 2009). Blockchain can enhance transparency and accountability in digital transactions by providing an immutable record of all transactions. This aligns with the principles of justice and *mashlahah* by ensuring that all parties have access to clear and reliable information about the terms and conditions of their transactions (Baregheh et al., 2009). Additionally, smart contracts can automate compliance with *Fiqh Muamalah* principles, ensuring that all terms and conditions are met before a transaction is completed. This can reduce the potential for disputes and enhance trust among consumers and producers.

On the other hand, the principle of *al-Amanah* (Trust) emphasizes the importance of maintaining trust in every transaction and social interaction, including integrity and honesty in dealings with others. The principle of *al-'Izām* (Agreement) stresses the importance of mutual agreement between parties involved in *muamalah* transactions, which must be conducted voluntarily without coercion. The principle of *halal* and *haram* determines the validity or invalidity of an action or transaction based on Islamic law, while the principle of *al-Tasamuh* (Tolerance) encourages mutual respect and acceptance of differences in transactions and social interactions. In conclusion, while there are notable challenges in integrating *Fiqh Muamalah* principles into e-commerce practices, there are also significant opportunities to address these challenges and enhance the application of these principles. Through comprehensive education and training, the development of regulatory frameworks, and the leveraging of technological innovations, stakeholders can work towards a more ethical, fair, and transparent digital marketplace that aligns with the principles of justice and *mashlahah*.

The exploration of these opportunities necessitates collaborative efforts among various stakeholders (Muhammad, 2020). Scholars of Islamic jurisprudence, regulatory bodies, industry leaders, and technology developers must work together to develop and implement solutions that facilitate the integration of *Fiqh Muamalah* principles in e-commerce. One of the most critical areas of focus should be on enhancing consumer protection. E-commerce platforms must prioritize safeguarding the rights and interests of consumers, ensuring that they are not subjected to unfair practices. This includes implementing robust mechanisms for dispute resolution and providing transparent information about products and services. By adopting such measures, e-commerce platforms can uphold the values of honesty and fairness central

to *Fiqh Muamalah*. The principle of al-Wafa' (Fulfillment) demands honesty and full compliance with obligations in *muamalah*, emphasizing the importance of maintaining commitments and fulfilling obligations in transactions and social interactions (Mubarroq & Latifah, 2023). By understanding and implementing these principles, Muslims can create a just, ethical, and equitable society in the economic and social context, supporting e-commerce transactions that are more aligned with Islamic values.

Furthermore, there is an opportunity to foster greater awareness and understanding of *Fiqh Muamalah* principles through public awareness campaigns. These campaigns can educate consumers and producers about the ethical standards and practices required by Islamic commercial law, encouraging them to adopt these practices in their daily transactions. Public awareness efforts can also highlight the benefits of adhering to *Fiqh Muamalah* principles, such as increased trust and loyalty among consumers, which can ultimately drive business growth. The role of technology in supporting *Fiqh Muamalah* compliance cannot be overstated (Hadiyati, 2011). Emerging technologies, such as artificial intelligence and machine learning, can be leveraged to develop intelligent systems that monitor transactions for compliance with ethical standards. For instance, AI-powered algorithms can detect and flag potentially unethical practices, such as deceptive marketing or price manipulation, allowing for timely intervention and correction (Stahl, 2023).

Blockchain technology, with its inherent transparency and security features, presents a particularly promising opportunity. By using blockchain, e-commerce platforms can create a decentralized and tamper-proof record of transactions, ensuring that all parties have access to verifiable and accurate information (R. F. Hayati et al., 2023). This transparency can significantly reduce the risk of fraud and enhance trust among users. Additionally, blockchain-based smart contracts can automate the enforcement of contractual terms, ensuring that all parties adhere to agreed-upon conditions without the need for intermediaries (Khan, 2015). Another important aspect to consider is the globalization of e-commerce and its impact on *Fiqh Muamalah* application. As e-commerce transcends national borders, it becomes essential to establish internationally recognized standards for Shariah-compliant transactions. This can be achieved through international cooperation and the harmonization of regulatory frameworks. By working together, countries can create a cohesive and supportive environment for Islamic e-commerce, facilitating cross-border trade and ensuring that *Fiqh Muamalah* principles are upheld globally.

Investment in research and development is also crucial for advancing the integration of *Fiqh Muamalah* in e-commerce (O'Connell et al., 2022). Continuous research can provide valuable insights into emerging trends, consumer behaviors, and the effectiveness of various compliance strategies. This knowledge can inform policy-making and guide the development of innovative solutions that address the unique challenges of the digital marketplace. In addition to regulatory and technological advancements, fostering a culture of ethical business practices is vital. E-commerce companies should adopt corporate social responsibility (CSR) initiatives that align with Islamic values, such as promoting ethical sourcing, supporting community development, and ensuring fair labor practices. By demonstrating a commitment to ethical standards, companies can build stronger relationships with consumers and contribute to a more just and equitable marketplace.

Collaboration between scholars and industry stakeholders is essential for addressing the challenges of applying *Fiqh Muamalah* to e-commerce. Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape. Integrating *Fiqh Muamalah* principles in e-commerce practices presents both challenges and opportunities. By addressing these challenges through education, regulatory frameworks, technological innovations, and collaborative efforts, it is possible to create a more ethical and sustainable digital marketplace that aligns with the principles of justice and *mashlahah*. This integration not only benefits consumers and producers in Malaysia and Indonesia but also sets a precedent for Shariah-compliant e-commerce practices globally.

Conclusion

This research concludes that the application of Islamic perspectives, specifically *Fiqh Muamalah* principles, in e-commerce transactions in Malaysia and Indonesia reveals both progress and significant challenges. The study aimed to investigate how consumers and producers in these countries understand and implement these principles to achieve justice and *mashlahah*. It was found that while there is a growing recognition of the need for ethical practices guided by al-'Adl (justice) and al-Maslahah (public welfare), the practical application of these principles often encounters difficulties. Consumers are increasingly prioritizing transparency and fairness, reflecting a strong inclination towards ethical considerations. However, producers face the dual challenge of maintaining Islamic values amidst intense market competition. This research identifies key opportunities to better integrate *Fiqh Muamalah* principles into e-commerce practices. These include enhancing stakeholder education and training, developing supportive regulatory frameworks, and leveraging technological innovations such as blockchain and smart contracts. Such measures have the potential to significantly improve transparency, accountability, and trust within the e-commerce environment. Additionally, the research underscores the importance of international collaboration to establish universally recognized standards for Shariah-compliant e-commerce. Given the global nature of digital commerce, a cohesive approach to regulatory frameworks is essential to ensure justice and *mashlahah* on an international level. Continuous investment in research and development is necessary to adapt to evolving trends and refine compliance strategies. Promoting a culture of ethical business practices, consistent with Islamic values, will further strengthen the commitment to a fair and equitable marketplace. To achieve these objectives, a concerted effort from scholars, industry leaders, and technology developers is crucial in addressing existing challenges and progressing towards a more ethical and transparent e-commerce environment, thereby setting a global benchmark for Shariah-compliant practices.

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4. Naskah Revisi 2

REVIEW FORM

Article Title : **Realising Justice and *Mashlahah* in E-Commerce Practices through *Fiqh Muamalah*: A Study on Consumer and Producer Understanding and Behavior in Malaysia and Indonesia**

Journal Code :

No	Assessment Criteria	Score*				
		1	2	3	4	5
1	The authenticity of the contents of the article (never been published in other journals)			√		
2	The novelty of the content of the article			√		
3	The suitability of the title with the contents of the journal			√		
4	Methodological description (informative, up-to-date and clear)				√	
5	Presentation of figures and tables			√		
6	Completeness of data				√	
7	Quality of discussion			√		
8	The suitability of the background, results, and discussion with conclusions			√		
9	Complete bibliography			√		
10	Use of language (grammar, readability, use of terms, EYD, etc.)		√			
Total score						

*To provide an assessment used an interval from 1 to 5

Information:

5. Very Good 4. Good 3. Fair 2. Less 1. Very Poor

Notes

this article needs revision, please see comments on the manuscript

Reviewer recommendations: (please circle based on the results of the assessment)

- Accepted Submission
- Revisions Required
- Resubmit for Review
- Decline Submission

Reviewer

Realising Justice and *Mashlahah* in E-Commerce Practices through *Fiqh Muamalah*: A Study on Consumer and Producer Understanding and Behavior in Malaysia and Indonesia

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Abstract: This study aims to explore how *Fiqh Muamalah* principles can realise justice and *mashlahah* in e-commerce practices, focusing on the understanding and behavior of consumers and producers in Malaysia and Indonesia. The research investigates how these Islamic legal principles are integrated and practised within the digital marketplace. The primary data sources include e-commerce users from Malaysia and Indonesia, specifically consumers and producers. Data were collected through in-depth interviews with diverse participants to ensure a broad representation of perspectives. The data were analysed using qualitative methods, including thematic analysis. The results reveal significant insights into the current state of justice and *mashlahah* in e-commerce through the lens of *Fiqh Muamalah*. While producers generally demonstrate a higher awareness and understanding of these principles, their application varies widely. Consumers show a mixed experience level, often influenced by educational background and exposure to Islamic commerce-related teachings. The study identifies key challenges in implementing justice and *mashlahah*, such as a need for standardised guidelines and varying interpretations of *Fiqh Muamalah* principles. The study concludes that although there is notable awareness of justice and *mashlahah* among e-commerce participants, there is a pressing need for more structured education and regulatory frameworks to ensure these principles are consistently and effectively integrated into e-commerce practices. Recommendations for policymakers and educational institutions include developing comprehensive training programs and clear guidelines to bridge the gap between understanding and practice, ensuring that e-commerce practices in Malaysia and Indonesia align with *Fiqh Muamalah* principles.

Keywords: justice and *mashlahah*, e-commerce, Islamic principles, consumer behaviour, producer behaviour

Introduction

Over the past few decades, digital technology has fundamentally transformed economic interactions, creating a new paradigm where increasing transactions occur digitally. In this context, the principles of *Fiqh Muamalah*, which govern Islamic financial transactions, must adapt to the rapidly evolving digital era to ensure justice and *mashallah* are realised in e-commerce practices. A British research institute reported that the rapid growth of Indonesia's e-commerce sector underscores the importance of integrating these principles to guide consumer and producer behaviour. In Malaysia and Indonesia, understanding and implementing *Fiqh Muamalah* in digital transactions is essential for fostering an ethical, fair, and sustainable e-commerce environment (Nofrizal et al., 2023). By 2023, global online clothing sales are expected to contribute 600 billion USD, representing 27% of global fashion retail (Statista, 2024). Indonesian e-commerce revenue is projected to reach 62.59 billion USD in 2022, with 221 million users by 2025 (Statista, 2022). The Indonesian e-commerce market is anticipated to grow by 42% between 2012 and 2022, surpassing other nations like Malaysia, Thailand, and the Philippines. Tokopedia and Shopee control

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most of the Indonesian e-commerce market, with 35% and 34%, respectively. However, many startups worldwide and in Indonesia face potential bankruptcy and employee cuts post-COVID-19 recovery (Nofrizal et al., 2023). Survey Results Confirm Rapid Shift in Customer Interaction with Digital Channels. On average, 58% of customer interactions worldwide after the COVID-19 pandemic are digital compared to 36% during the pre-pandemic period, reaching 80%. One opportunity that can be leveraged from the digital economy is assisting in accelerating Indonesian businesses by empowering micro, small, and medium enterprises (MSMEs) and developing the Islamic economy. Indonesia has nearly 64 million MSMEs in its economy. They contribute 97% of the country's workforce, accounting for more than 60% of GDP (Kemenkeu, 2022). Digital Transformation in the economy also changes economic behaviour patterns as the growth of digital technology has altered consumer shopping habits, producers marketing their products, and other economic actors interacting. As a result, the public increasingly tends to conduct transactions online through e-commerce platforms, digital banking applications, and other financial technologies.

Nationally, Indonesian law already supports an Islamic economy. As technology advances, so does the evolution of *fiqh* (Islamic jurisprudence) by the changing times. It can be observed that Islamic finance, such as Islamic banking, insurance, capital markets, *sukuk* (Islamic bonds), and even digital charitable endowments (*waqf*), have been implemented online (Sukiati et al., 2023). Furthermore, Muslim fashion is increasingly developing in terms of production and consumer aspects, not only in the economic sphere but also in the fashion industry. Similarly, Islamic tourism must be regulated within *Fiqh Muamalah* (Islamic transactional jurisprudence), addressing the contracts and principles involved to ensure the financial aspects of Islamic tourism align with Islamic teachings. In digital finance, *Fiqh Muamalah* guides how to conduct electronic transactions with principles of fairness and cleanliness. The *riba* (interest) concept in *Fiqh Muamalah* emphasises avoiding transactions involving interests, which can harm the economically weaker party. This is highly relevant in digital financial products such as online loans and investments, where these principles can help maintain fairness and economic sustainability. As an integral part of the digital era, E-commerce is also influenced by *Fiqh Muamalah* principles.

At its core, the concept of *Fiqh Muamalah* (Islamic transactional jurisprudence) emphasises transparency, honesty, and fairness in every transaction, which is essential for realising justice and *mashlahah* in e-commerce practices (Nahlah et al., 2022). In the context of e-commerce, this includes accurate product descriptions, fair return policies, and robust consumer protection. *Fiqh Muamalah* provides ethical guidance for online business actors to ensure that transactions are conducted with good faith and adherence to high moral standards. This guidance helps consumers and producers in Malaysia and Indonesia navigate the complexities of digital transactions while upholding Islamic principles. Furthermore, emerging cryptocurrencies as digital assets present challenges and opportunities for applying *Fiqh Muamalah*. Although classical Islamic sources do not directly reference cryptocurrencies, principles such as fairness, transparency, and avoiding excessive ambiguity (*gharar*) can be applied to assess their permissibility. Understanding the Islamic legal implications of digital currencies, including aspects like speculation, volatility, and uncertainty, is crucial. The relevance of *Fiqh Muamalah* in the digital era extends beyond finance to e-commerce and other areas affected by technology. Adopting the values and principles of *Fiqh Muamalah* in digital transactions ensures a sustainable and fair economy while fostering an ethical and responsible business environment. Therefore, a deep understanding of *Fiqh Muamalah* becomes increasingly important for consumers and producers amid the continuous changes in the digital landscape in Malaysia and Indonesia.

Social scientists have paid considerable attention to that phenomenon with various themes, for instance, Mersi Hayati, et. all (M. Hayati, 2024) on Islamic jurisprudence on transactions of e-commerce, Chen, et al. (Chen et al., 2023) on e-commerce live streaming, Dian Sudiantini, et.all (Sudiantini, 2023) on Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" and on the Islamic principles on e-commerce behaviors by Serliana, at.all (AL, 2023); Mirzam Arqy Ahmadi, et. all (Ahmadi & et al, 2023). and Mupida, et. all (Mupida & Mahmadatun, 2021)., also Azam (Azam, 2021),

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and Suhroji Adha (Adha, 2022). This research differs from previous studies by providing a detailed qualitative examination of how consumers and producers in Malaysia and Indonesia understand and behave within the e-commerce market for Muslim fashion products. It focuses on realising justice and *mashlahah* in e-commerce practices through an in-depth exploration of their perceptions and actions.

Using this approach, the data findings from the study will address the previously mentioned challenges and reformulate the development of *Fiqh Muamalah* in the context of digital technology advancements. Developing *Fiqh Muamalah* in the digital era is not just about applying existing principles but also about aligning them with the new dynamics of the digital economy. This research is crucial for understanding contemporary economic dynamics and ensuring economic practices align with Islamic values. Through this research, relevant and sustainable solutions can be found to strengthen the foundation of Islamic financial law in addressing the challenges and opportunities presented by the digital revolution. As e-commerce spreads worldwide, many Muslims question whether this new form of commerce is acceptable under Sharia (Islamic Law). This research aims to study the Islamic perspectives on e-commerce, particularly its transactions, and the rights and behaviours of producers and consumers. Specifically, the study will explore three main research questions: 1) how do e-commerce consumers and producers in Malaysia and Indonesia understand and apply the principles of *Fiqh Muamalah* to achieve justice and *mashlahah*? 2) what challenges and opportunities arise in applying *Fiqh Muamalah* principles to e-commerce practices, and how can these principles be better integrated to enhance justice and *mashlahah* in Malaysia and Indonesia? By addressing these questions, the research seeks to realise justice and *mashlahah* in e-commerce practices by applying *Fiqh Muamalah* principles and fostering an ethical, fair, and sustainable e-commerce environment in Malaysia and Indonesia.

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Literature Review

E-commerce in Malaysia and Indonesia

Malaysia and Indonesia have experienced substantial growth in e-commerce, driven by robust government initiatives and increasing internet penetration. Both countries have recognised the potential of e-commerce to boost economic development and have actively promoted its adoption. The government has launched various programs in Malaysia, such as the Digital Free Trade Zone (DFTZ), to facilitate cross-border e-commerce and attract global e-commerce players (Hassan & Ali, 2020). Similarly, Indonesia has implemented the "Making Indonesia 4.0" roadmap to enhance digital infrastructure and encourage e-commerce activities (Rachmawati & Widodo, 2021). To ensure that e-commerce activities align with Islamic principles, both countries have developed regulatory frameworks. In Malaysia, the Malaysian Digital Economy Corporation (MDEC) and Shariah Advisory Council have collaborated to provide guidelines for Shariah-compliant e-commerce (Nordin & Rahman, 2021). These guidelines cover various aspects, such as contract transparency, *riba* (usury) prohibition, and avoiding *gharar* (excessive uncertainty). Similarly, Indonesia's National Sharia Board (DSN-MUI) has issued fatwas and guidelines to ensure e-commerce transactions comply with Islamic law (Aziz & Hanifah, 2020).

However, the application and understanding of these Islamic principles in e-commerce varies among consumers and producers. While some businesses and consumers strictly adhere to these guidelines, others may need more awareness or understanding of the specific requirements for Shariah compliance. This variability can lead to inconsistency in how e-commerce is practised and perceived within the market (Alam & Yasin, 2019). For example, issues such as unclear terms of service, non-compliant payment methods, and the sale of non-halal products can undermine consumer confidence and trust in e-commerce platforms (Nordin & Rahman, 2021). Despite these challenges, both Malaysia and Indonesia continue to make strides in promoting Shariah-compliant e-commerce. Educational programs and workshops are being implemented to increase consumer and producer awareness and understanding of *Fiqh Muamalah* principles. Technological innovations like blockchain are also explored to enhance transparency and trust in e-commerce transactions (Ibrahim & Sulaiman, 2020). Overall, the continued development of Shariah-compliant e-commerce frameworks in Malaysia and Indonesia demonstrates a

commitment to integrating Islamic principles with modern digital commerce, ensuring that the benefits of e-commerce are realised in a manner consistent with Islamic values.

The emergence of various digital applications as payment tools marks a significant indicator of the financial sector's development in the era of the digital economy. It's not surprising that society has begun to develop and use digital applications related to economic systems, leading to the frequent discussion of financial technology or fintech among digital economy players. The digital economy has grown and evolved over the current period due to its increasing globalisation (L. E. Nasution & Padli, 2023). According to Musafaki, in Alfiani Munawwar's research, the digital economy is based on electronic products and services produced by electronic companies and traded through electronic commerce. These companies have electronic production and management processes and interact with partners and customers, conducting transactions through the Internet and network technology (Al Munawarah, 2022). While Hinting, as stated by Nila Dwi Aprilia's, the digital economy is a business conducted through virtual media, creating and exchanging value, transactions, and mature relationships among economic actors using the Internet as a medium of exchange. The digital economy becomes an economic aspect based on utilising and empowering digital information and communication technology. Digital users, such as the public and entrepreneurial actors, play a significant role in this digital economy. Tapscott, cited by Dewi Sartika Nasution et al., stated that there are twelve crucial characteristics of the digital economy that managers should understand and be aware of: Knowledge, Digitization, Virtualization, Molecularization, Internetworking, Disintermediation, Convergence, Innovation, Presumption, Immediacy, Globalization, and Discordance (D. S. Nasution, 2019).

Furthermore, Malaysia and Indonesia's cultural and religious diversity adds another layer of complexity to Islamic e-commerce practices. While Islam is the predominant religion in both countries, there are also significant minority populations with different religious beliefs. This diversity influences consumer preferences and purchasing behaviours, particularly halal products and services. Therefore, ensuring inclusivity and catering to the needs of all consumer segments is essential for the success of the Shariah-compliant e-commerce platform (Abdul Rahman & Yusof, 2023). Despite the challenges and complexities, the potential benefits of Islamic e-commerce in Malaysia and Indonesia are vast. Beyond economic growth, Shariah-compliant e-commerce can foster social cohesion and ethical business practices grounded in Islamic values. By promoting fairness, transparency, and accountability in commercial transactions, Islamic e-commerce contributes to the broader goal of sustainable and ethical business practices in the digital age. Therefore, continued collaboration between governments, businesses, religious scholars, and consumers is essential to develop further and promote Islamic e-commerce in Malaysia and Indonesia, ensuring its alignment with religious principles and modern business practices.

Understanding and Behavior of producers and consumers

Research on economic behaviour in the digital world (development of Islamic jurisprudence in transactions in the digital era) has been conducted by various researchers, including Shamim et al. 1, who studied how social media influencers induce the urge to buy impulsively in a social commerce context. Based on signalling theory, this study investigates the impact of Fashion Influencers (FIs) on consumers' impulsive buying (UBI) in social commerce. It focuses on key factors contributing to trust in FIs' branded posts and how persuasion knowledge moderates the trust-UBI relationship. Using PLS-SEM on 452 Pakistani social media users' responses, it was found that trust in FI's posts positively affects UBI. Influencer Credibility (IC), Message Credibility (MC), and Media Credibility (MeC) are significant factors contributing to trust. Persuasion knowledge moderates the trust-UBI relationship, with trust in FI's posts mediating the connection between IC, MC, MeC, and UBI. These findings contribute to the literature and offer valuable insights for fashion marketers to build trust-centric relationships with followers, ultimately boosting UBI in social commerce (Shamim et al., 2024).

Chen et al. (Chen et al. 2023) researched product uncertainty in live-streaming e-commerce from a signal consistency perspective. Drawing from signalling theory and uncertainty literature, they found

consistent signals can decrease product uncertainty, enhancing consumers' purchase intentions. With a sample of 338 live shoppers, they discovered that anchor-product fit, live content-product fit, and content-product fit negatively impact product quality uncertainty and product fit uncertainty. Self-product fit negatively affects both product quality uncertainty and product fit uncertainty. Product quality uncertainty positively influences product fit uncertainty, and all three uncertainties significantly negatively impact purchase intention. Further analysis suggests combining four signal consistency cues and two product uncertainties in three causal configurations can lead to high purchase intention. This research contributes to the existing body of knowledge and offers valuable guidance for e-commerce live-streaming sellers and platforms to make strategic decisions.

Another study by Dian Sudiantini et al. (Sudiantini, 2023), entitled "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy", found that in the era of globalisation and digitalisation, the digital economic transformation has become an increasingly crucial phenomenon affecting almost every aspect of life. On the one hand, digital economic transformation can positively impact global economic growth, enabling business innovations and enhancing international collaboration. On the other hand, it presents challenges that need to be addressed, such as regulatory issues, insufficient skills and public awareness, and inadequate technological infrastructure.

Mersi Hayati et al. (M. Hayati, 2024), on the other hand, stated that Islamic jurisprudence of transactions has evolved in line with technological advances in electronic transactions. The development of Islamic law in the modern era reflects the efforts of scholars and academics to interpret Islamic values so they can be applicable and relevant in new environments. The evolution of Islamic law in financial transactions, particularly with the emergence of contemporary financial instruments, requires comprehensive research to ensure that these changes align with Islamic values and principles of justice. Islamic jurisprudence plays a crucial role in facing new challenges in economics and finance. Responses to such changes, such as Islamic banking, Islamic insurance, and technology-based financial transactions, reflect efforts to ensure that Islamic principles remain firmly upheld in an ever-changing environment. Individual rights protection, social justice, and environmental concerns become the primary focus in addressing these new challenges. The reformulation of Islamic jurisprudence of transactions means reinvigorating it to adapt to modern life, allowing the study of Islamic jurisprudence to evolve. To achieve this, various tools and disciplines of Islamic jurisprudence and moral principles are required to ensure that Islamic jurisprudence is formulated by Islamic law and within its framework.

E-commerce behaviour has also been a critical and significant issue in the development of *Fiqh Muamalah*. Suhroji Adha, for example, in his research entitled "Factors of Consumer Behavior Revolution in the Digital Era: A Literature Review", found that consumer attitudes towards marketing have changed due to the digital revolution. How consumers search, pay, use, and dispose of products they have purchased after using them reflects changes in consumer behaviour. Media consumption habits have also greatly changed, forcing marketers to develop new strategies and find ways to improve customer attraction. In digital marketing, today's consumers tend to demand more than they desire in traditional marketing. Information technology is rapidly advancing, constantly providing them with information. Customers sometimes have more knowledge than marketers due to the abundance of it. Because of this, customers lose trust in the messages marketers use to promote their products (Adha, 2022). On the other point of view, Irma Rumtaning et al., using the prophetic Hadiths approach in their study, stated that digitalisation in the goods and services exchange model has greatly facilitated humans in obtaining all their living needs quickly and cheaply. The emergence of digital technology is indeed something to be grateful for and welcomed. However, it is crucial to recognise the negative impacts of the rise of digital technology. Hedonistic tendencies and excessive indulgence in consumption accompany the ease of shopping in the current digital era.

Research on economic behaviour in the digital realm, particularly within e-commerce, has drawn significant attention from scholars. Studies by Shamim et al. and Chen et al. delve into the intricacies of consumer behaviour and the impact of influencers in social commerce, shedding light on trust-building

mechanisms and purchase intentions. Meanwhile, Dian Sudiantini et al.'s research underscores the pivotal role of digital transformation in shaping global economies, emphasising its positive impacts alongside challenges such as regulatory issues and skill shortages. Moreover, Mesri Hayati et al. discuss the evolution of Islamic jurisprudence in financial transactions, highlighting the need for alignment with modern technological advancements while upholding Islamic principles. Additionally, Suhroji Adha's examination of the consumer behaviour revolution in the digital era elucidates shifting attitudes and demands, necessitating novel marketing strategies. Conversely, Irma Rumtaning et al. present a cautionary perspective, emphasising the potential negative impacts of digitalisation, including hedonistic consumption patterns. These diverse studies collectively contribute to a comprehensive understanding of the intersection between e-commerce, consumer behaviour, Islamic principles, and digital transformation, paving the way for informed strategies and policies in the evolving digital landscape.

Method

This research adopts a qualitative approach to address the research questions comprehensively. By focusing on qualitative data collection and analysis, the study aims to explore e-commerce practices through the lens of *Fiqh Muamalah* and the principles of justice and *mashlahah*. Research process stages: first, the research begins with an extensive literature review to gather existing knowledge on economic behaviour in the digital world, particularly the development of *Fiqh Muamalah* in the digital era. This review includes theories, concepts, and expert opinions in digital business and Islamic economic law. Second, qualitative data was collected through observations, in-depth interviews, and focus group discussions (FGDs) with consumers and producers of Muslim fashion products in Indonesia and Malaysia. These methods aimed to explore the impact of consumer and producer understanding and behaviour on e-commerce practices. The data was collected online using Google Forms, with survey links shared through social media channels such as Facebook, Instagram, and WhatsApp. A snowball sampling method was employed, targeting individuals aged 17 to 40 years and above, as this age group is most active on social media. Third, the qualitative data was analysed using thematic analysis to identify key themes and insights related to understanding and applying *Fiqh Muamalah* principles. This approach allowed for a detailed examination of the challenges and opportunities in applying these principles to ensure justice and *mashlahah* in the digital marketplace. By employing a qualitative methodology, this research aims to provide valuable insights into how justice and *mashlahah* can be realised in e-commerce practices in Malaysia and Indonesia. The findings will contribute to developing a fair and ethical digital economy, aligning with the principles of *Fiqh Muamalah*.

Results and Discussion

Insights from Indonesia and Malaysia on Understanding and Application of *Fiqh Muamalah* Principles in E-Commerce

Integrating *Fiqh Muamalah* principles into e-commerce practices to ensure justice and *mashlahah* presents a combination of challenges and opportunities, particularly in Malaysia and Indonesia. Demographic data and survey responses compiled on a Likert scale show that 70% of respondents were between the ages of 17 and 40 years or older, with the majority coming from various occupational backgrounds. This reflects the demographic diversity of e-commerce users in these countries, indicating that various age groups and job types are interested in online shopping. E-commerce platforms can thus reach diverse market segments, which is crucial for an inclusive marketing strategy. Respondents' online shopping duration varied, with 65% reporting spending more than one hour per week shopping online, highlighting the importance of a good user experience and easy navigation to maintain consumer interest.

One primary issue is more physical interaction between buyers and sellers. Traditional commerce relies heavily on face-to-face transactions, which allow for immediate clarification of terms and conditions. In contrast, e-commerce transactions are conducted remotely, often with limited direct communication, leading to misunderstandings and disputes. This challenge is exacerbated when considering cash-on-

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delivery (COD) transactions, which add another layer of complexity. COD transactions, while convenient for consumers wary of online payments, can lead to issues of trust and accountability between buyers and sellers, as the product exchange and payment occur simultaneously at the point of delivery (Mahran & Sebyar, 2023). This method can only be problematic if the delivered product meets the buyer's expectations or if the seller receives payment as agreed. Reliance on electronic communications presents another challenge. Traditional *Fiqh Muamalah* emphasises the importance of clear and transparent communication in commercial transactions to prevent ambiguity and deceit. However, in e-commerce, communication is typically mediated through digital interfaces, which can sometimes obscure or simplify complex contractual terms, potentially leading to issues of *gharar* (excessive uncertainty). Digital authentication is also a critical issue in the context of e-commerce. In traditional commerce, physical signatures and tangible contracts help to verify the authenticity and legitimacy of transactions. However, e-commerce relies on digital signatures and electronic records, which, while convenient, can be more susceptible to fraud and cybercrime. Ensuring the integrity and security of these digital authentication methods is crucial for maintaining trust in e-commerce transactions.

On the purchasing decision scale, 60% of respondents agree that developing consumer loyalty and product quality influences purchasing decisions. This suggests that factors such as brand trust and product quality play an important role in consumer decision-making. Marketers must focus on increasing consumer loyalty and ensuring the products offered are of high quality to attract and retain customers. These results also show that 75% of respondents agree or strongly agree that consumer trust in brands and brand ambassadors strongly correlates with purchasing decisions. Consumers who trust a brand are likelier to repeat purchases and recommend the product to others. Therefore, building and maintaining consumer trust should be a top priority for e-commerce companies. When reviewed further, the product quality assessment shows an increasingly strong positive correlation with consumer trust in the brand, with 80% of respondents stating that good product quality increases their trust in the brand. High-quality products meet consumer expectations and increase positive perceptions of the brand as a whole. This shows that investing in product quality is an effective strategy for building a strong brand reputation.

The fast-paced and global nature of e-commerce poses challenges when applying for *Fiqh Muamalah*. Islamic jurisprudence traditionally involves detailed and context-specific rulings, which can take time to adapt quickly to the ever-evolving digital marketplace. The rapid development of new business models and technologies in e-commerce requires continuous scholarly engagement to ensure that *Fiqh Muamalah* principles are appropriately applied. Using digital currencies and electronic payments in e-commerce also raises significant concerns. *Fiqh Muamalah* prohibits *riba* (usury) and emphasises the need for fair and transparent financial transactions. Integrating digital payment methods, such as credit cards and cryptocurrencies, into e-commerce platforms requires careful examination to ensure they do not involve usury or other prohibited elements. Moreover, the issue of product and service verification is more complex in e-commerce. Traditional commerce allows buyers to physically inspect goods before purchasing, ensuring that they meet the expected standards and quality. In contrast, e-commerce transactions often involve buying goods based on digital descriptions and images, which can sometimes be misleading. This can raise concerns about the permissibility of transactions under Islamic law if they result in significant *gharar*.

Regarding perceptions of brand ambassadors, 68% of respondents tend to give higher ratings to brands with brand ambassadors who are viewed positively. Effective brand ambassadors can improve brand image and attract consumer attention. Therefore, selecting the right brand ambassadors and ensuring they align with brand values is an important strategy to strengthen branding. The results of the analysis show that negative perceptions of brand ambassadors tend to correlate with lower purchasing decisions, with 55% of respondents stating that they are less likely to purchase from brands with brand ambassadors they dislike. This suggests that brand ambassadors that consumers dislike or do not trust can harm the brand and reduce consumers' purchase intentions. Therefore, it is important for companies to carefully evaluate and select brand ambassadors who can strengthen, not damage, the brand image.

Jurisdictional issues also complicate the application of *Fiqh Muamalah* to e-commerce. Online transactions often cross national borders, subjecting them to multiple legal and regulatory frameworks. This can create conflicts between Shariah principles and local laws, requiring careful navigation to ensure compliance with both. Consumer protection is another critical area. Traditional *Fiqh Muamalah* emphasizes the protection of consumer rights and the ethical treatment of all parties in a transaction. Ensuring that e-commerce platforms uphold these values in their business practices can be challenging, particularly in the absence of strong regulatory oversight. Data privacy and security concerns are also paramount. E-commerce platforms collect and store vast amounts of personal data, which must be protected to prevent misuse and ensure compliance with Islamic ethical standards. Maintaining data integrity and preventing breaches are essential to uphold trust and protect consumer rights. Finally, the rapid pace of technological innovation presents both opportunities and challenges for integrating *Fiqh Muamalah* into e-commerce. While new technologies can facilitate compliance and enhance transparency, they also require constant updates to legal and regulatory frameworks to keep pace with the changes. This necessitates ongoing collaboration between scholars, regulators, and industry stakeholders.

In contrast, 72% of respondents stated that positive perceptions of brand ambassadors correlated with higher purchasing decisions. This confirms that brand ambassadors who are liked and respected by consumers can significantly increase sales and brand loyalty. Thus, companies should consider investing in campaigns that highlight reputable brand ambassadors and can strengthen relationships with consumers. These findings demonstrate the important role of brand ambassadors in influencing consumer purchasing behavior. Brand ambassadors not only serve as the face of the product but also as a link between the brand and consumers. An effective strategy should include the use of brand ambassadors who can build trust and provide added value to consumers. The analysis also revealed that 64% of respondents agreed that good product quality contributes to their purchasing decisions. High quality products not only attract consumers but also encourage them to make repeat purchases and recommend the product to others. Therefore, maintaining product quality is the key to maintaining customer satisfaction and driving business growth. The correlation between perceptions of product quality and the level of consumer trust in brands shows a significant positive relationship, with 85% of respondents stating that they have more trust in brands that offer high quality products. This means that high-quality products can increase consumer trust in the brand, which in turn can increase customer loyalty and retention. Companies must ensure that every product they offer meets high quality standards to build long-term relationships with customers. Data shows that 78% of respondents have a high level of trust in the brands they trust, which is positively correlated with higher purchasing decisions. Consumers who have a high level of trust in a brand are more likely to make a purchase, indicating that building trust is an important component in marketing strategy. Companies must focus on transparency, reliability, and integrity in all their interactions with consumers to build strong trust.

Education and awareness play a crucial role in enhancing the integration of *Fiqh Muamalah* in e-commerce. Increasing the knowledge and understanding of Islamic commercial principles among both consumers and producers can help ensure that transactions are conducted in a manner consistent with Shariah law. Educational programs and workshops can be developed to inform stakeholders about the principles of *Fiqh Muamalah* and how they apply to digital commerce (Shah & Susilo, 2022). Strengthening regulatory frameworks is another key opportunity. Governments and regulatory bodies can develop and enforce guidelines that support Shariah-compliant e-commerce. This can include creating certification systems for platforms and businesses that adhere to Islamic principles, providing consumers with assurance and building trust in the marketplace. Developing technological solutions can also facilitate compliance with *Fiqh Muamalah*. Digital tools and platforms can be designed to ensure transparency, fairness, and security in e-commerce transactions (Wibowo & Sebyar, 2024). For example, blockchain technology can provide immutable records of transactions, enhancing trust and reducing the potential for fraud. Similarly, smart contracts can automate compliance with Shariah principles, ensuring that all terms and conditions are met before a transaction is completed.

Enhancing collaboration between scholars and industry stakeholders can help address the challenges of applying *Fiqh Muamalah* to e-commerce (Nofrizal et al., 2023). Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape (Kertati et al., 2023). Promoting ethical business practices is essential for aligning e-commerce with *Fiqh Muamalah*. Companies can adopt and promote ethical standards that reflect Islamic values, such as honesty, fairness, and transparency. This can help build consumer trust and loyalty, ultimately benefiting businesses and the broader e-commerce ecosystem. Supporting research and development in the field of Islamic e-commerce can also drive improvements. Investing in research can provide valuable insights into consumer behavior, market trends, and the effectiveness of different

Challenges and Opportunities in Ensuring *Justice* and *Mashlahah* in E-Commerce

The integration of *Fiqh Muamalah* principles into e-commerce practices poses several challenges and opportunities in achieving justice and *mashlahah*. One significant challenge is the lack of standardized guidelines. Both consumers and producers often face difficulties in interpreting and consistently applying *Fiqh Muamalah* principles, largely due to the absence of clear, standardized guidelines. This inconsistency can lead to confusion and non-compliance, undermining the principles of fairness and transparency that are central to *Fiqh Muamalah*. *Fiqh Muamalah* is a branch of Islamic jurisprudence that deals with the laws governing human interactions in social, economic, and business transactions. The term "*muamalah*" itself refers to the relationships between individuals or groups in the context of trade, finance, agreements, and other dealings involving transactions and obligations. Theories and principles underlying *Fiqh Muamalah* include several key principles such as justice, kindness, public interest, piety, customs, trust, agreement, halal and haram, tolerance, and fulfillment of obligations.

Ethical dilemmas also arise from the competitive nature of the digital marketplace (Al Munawarah, 2022). Producers and consumers are frequently confronted with situations where maintaining principles of fairness and transparency is challenging. The pressure to compete can sometimes result in practices that conflict with the ethical standards outlined in *Fiqh Muamalah*, such as engaging in deceptive advertising or unfair pricing strategies. These ethical dilemmas are compounded by the varying interpretations of *Fiqh Muamalah* principles. Differences in cultural and legal contexts, particularly in cross-border transactions, add complexity to their application. What is considered compliant in one jurisdiction may not be viewed the same way in another, leading to inconsistencies and potential disputes.

Principles in *Fiqh Muamalah* include al-'Adl wa al-Ihsan (Justice and Kindness), emphasizing the importance of justice and honesty in every transaction, and al-Mashlahah (Public Interest), which stresses the need to consider public interest in every interaction (Rizal & Soemitra, 2022). The principle of al-Taqwa (Piety) underscores the importance of piety to Allah in every aspect of life, including *muamalah*. The principle of al-'Urf (Customs) recognizes the importance of customs in determining *muamalah* laws, allowing flexibility in the application of laws to meet the needs of society (Karimuddin et al., 2024). Despite these challenges, there are significant opportunities to enhance the application of *Fiqh Muamalah* principles in e-commerce. Education and training represent a crucial opportunity (R. F. Hayati et al., 2023). By providing comprehensive training programs for both consumers and producers, the gap between understanding and practice can be bridged. These programs can ensure that stakeholders are well-informed about the principles of *Fiqh Muamalah* and how to apply them consistently in their transactions. Enhanced education can lead to a more uniform application of these principles, fostering a fairer and more transparent digital marketplace. Policymakers also have the opportunity to develop regulatory frameworks that support the integration of *Fiqh Muamalah* principles in e-commerce (Shah & Susilo, 2022). Such frameworks can provide clear guidelines and standards, helping to ensure that digital transactions are conducted ethically and in alignment with Islamic values. By establishing regulatory oversight, policymakers can address the inconsistencies and ethical dilemmas that currently challenge the application

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of *Fiqh Muamalah* in e-commerce. These frameworks can also facilitate international trade by providing a common standard for cross-border transactions, reducing the complexity and potential for disputes.

Technological innovations offer another significant opportunity. Advancements such as blockchain technology can play a crucial role in ensuring compliance with *Fiqh Muamalah* principles (Benner, 2009). Blockchain can enhance transparency and accountability in digital transactions by providing an immutable record of all transactions. This aligns with the principles of justice and *mashlahah* by ensuring that all parties have access to clear and reliable information about the terms and conditions of their transactions (Baregheh et al., 2009). Additionally, smart contracts can automate compliance with *Fiqh Muamalah* principles, ensuring that all terms and conditions are met before a transaction is completed. This can reduce the potential for disputes and enhance trust among consumers and producers.

On the other hand, the principle of *al-Amanah* (Trust) emphasizes the importance of maintaining trust in every transaction and social interaction, including integrity and honesty in dealings with others. The principle of *al-‘Izām* (Agreement) stresses the importance of mutual agreement between parties involved in *muamalah* transactions, which must be conducted voluntarily without coercion. The principle of halal and haram determines the validity or invalidity of an action or transaction based on Islamic law, while the principle of *al-Tasamuh* (Tolerance) encourages mutual respect and acceptance of differences in transactions and social interactions. In conclusion, while there are notable challenges in integrating *Fiqh Muamalah* principles into e-commerce practices, there are also significant opportunities to address these challenges and enhance the application of these principles. Through comprehensive education and training, the development of regulatory frameworks, and the leveraging of technological innovations, stakeholders can work towards a more ethical, fair, and transparent digital marketplace that aligns with the principles of justice and *mashlahah*.

The exploration of these opportunities necessitates collaborative efforts among various stakeholders (Muhammad, 2020). Scholars of Islamic jurisprudence, regulatory bodies, industry leaders, and technology developers must work together to develop and implement solutions that facilitate the integration of *Fiqh Muamalah* principles in e-commerce. One of the most critical areas of focus should be on enhancing consumer protection. E-commerce platforms must prioritize safeguarding the rights and interests of consumers, ensuring that they are not subjected to unfair practices. This includes implementing robust mechanisms for dispute resolution and providing transparent information about products and services. By adopting such measures, e-commerce platforms can uphold the values of honesty and fairness central to *Fiqh Muamalah*. The principle of *al-Wafa’* (Fulfillment) demands honesty and full compliance with obligations in *muamalah*, emphasizing the importance of maintaining commitments and fulfilling obligations in transactions and social interactions (Mubarroq & Latifah, 2023). By understanding and implementing these principles, Muslims can create a just, ethical, and equitable society in the economic and social context, supporting e-commerce transactions that are more aligned with Islamic values.

Furthermore, there is an opportunity to foster greater awareness and understanding of *Fiqh Muamalah* principles through public awareness campaigns. These campaigns can educate consumers and producers about the ethical standards and practices required by Islamic commercial law, encouraging them to adopt these practices in their daily transactions. Public awareness efforts can also highlight the benefits of adhering to *Fiqh Muamalah* principles, such as increased trust and loyalty among consumers, which can ultimately drive business growth. The role of technology in supporting *Fiqh Muamalah* compliance cannot be overstated (Hadiyati, 2011). Emerging technologies, such as artificial intelligence and machine learning, can be leveraged to develop intelligent systems that monitor transactions for compliance with ethical standards. For instance, AI-powered algorithms can detect and flag potentially unethical practices, such as deceptive marketing or price manipulation, allowing for timely intervention and correction (Stahl, 2023).

Blockchain technology, with its inherent transparency and security features, presents a particularly promising opportunity. By using blockchain, e-commerce platforms can create a decentralized and tamper-proof record of transactions, ensuring that all parties have access to verifiable and accurate

information (R. F. Hayati et al., 2023). This transparency can significantly reduce the risk of fraud and enhance trust among users. Additionally, blockchain-based smart contracts can automate the enforcement of contractual terms, ensuring that all parties adhere to agreed-upon conditions without the need for intermediaries (Khan, 2015). Another important aspect to consider is the globalization of e-commerce and its impact on *Fiqh Muamalah* application. As e-commerce transcends national borders, it becomes essential to establish internationally recognized standards for Shariah-compliant transactions. This can be achieved through international cooperation and the harmonization of regulatory frameworks. By working together, countries can create a cohesive and supportive environment for Islamic e-commerce, facilitating cross-border trade and ensuring that *Fiqh Muamalah* principles are upheld globally.

Investment in research and development is also crucial for advancing the integration of *Fiqh Muamalah* in e-commerce (O'Connell et al., 2022). Continuous research can provide valuable insights into emerging trends, consumer behaviors, and the effectiveness of various compliance strategies. This knowledge can inform policy-making and guide the development of innovative solutions that address the unique challenges of the digital marketplace. In addition to regulatory and technological advancements, fostering a culture of ethical business practices is vital. E-commerce companies should adopt corporate social responsibility (CSR) initiatives that align with Islamic values, such as promoting ethical sourcing, supporting community development, and ensuring fair labor practices. By demonstrating a commitment to ethical standards, companies can build stronger relationships with consumers and contribute to a more just and equitable marketplace.

Collaboration between scholars and industry stakeholders is essential for addressing the challenges of applying *Fiqh Muamalah* to e-commerce. Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape. Integrating *Fiqh Muamalah* principles in e-commerce practices presents both challenges and opportunities. By addressing these challenges through education, regulatory frameworks, technological innovations, and collaborative efforts, it is possible to create a more ethical and sustainable digital marketplace that aligns with the principles of justice and *mashlahah*. This integration not only benefits consumers and producers in Malaysia and Indonesia but also sets a precedent for Shariah-compliant e-commerce practices globally.

Conclusion

This research concludes that the application of Islamic perspectives, specifically *Fiqh Muamalah* principles, in e-commerce transactions in Malaysia and Indonesia reveals both progress and significant challenges. The study aimed to investigate how consumers and producers in these countries understand and implement these principles to achieve justice and *mashlahah*. It was found that while there is a growing recognition of the need for ethical practices guided by al-'Adl (justice) and al-Mashlahah (public welfare), the practical application of these principles often encounters difficulties. Consumers are increasingly prioritizing transparency and fairness, reflecting a strong inclination towards ethical considerations. However, producers face the dual challenge of maintaining Islamic values amidst intense market competition. This research identifies key opportunities to better integrate *Fiqh Muamalah* principles into e-commerce practices. These include enhancing stakeholder education and training, developing supportive regulatory frameworks, and leveraging technological innovations such as blockchain and smart contracts. Such measures have the potential to significantly improve transparency, accountability, and trust within the e-commerce environment. Additionally, the research underscores the importance of international collaboration to establish universally recognized standards for Shariah-compliant e-commerce. Given the global nature of digital commerce, a cohesive approach to regulatory frameworks is essential to ensure justice and *mashlahah* on an international level. Continuous investment in research and development is necessary to adapt to evolving trends and refine compliance strategies. Promoting a culture of ethical business practices, consistent with Islamic values, will further strengthen the commitment to a fair and

equitable marketplace. To achieve these objectives, a concerted effort from scholars, industry leaders, and technology developers is crucial in addressing existing challenges and progressing towards a more ethical and transparent e-commerce environment, thereby setting a global benchmark for Shariah-compliant practices.

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5. Perbaiki Naskah Revisi 2

REVIEW FORM

Article Title : **Realising Justice and *Mashlahah* in E-Commerce Practices through *Fiqh Muamalah*: A Study on Consumer and Producer Understanding and Behavior in Malaysia and Indonesia**

Journal Code :

No	Assessment Criteria	Score*				
		1	2	3	4	5
1	The authenticity of the contents of the article (never been published in other journals)			√		
2	The novelty of the content of the article			√		
3	The suitability of the title with the contents of the journal			√		
4	Methodological description (informative, up-to-date and clear)				√	
5	Presentation of figures and tables			√		
6	Completeness of data				√	
7	Quality of discussion			√		
8	The suitability of the background, results, and discussion with conclusions			√		
9	Complete bibliography			√		
10	Use of language (grammar, readability, use of terms, EYD, etc.)		√			
Total score						

*To provide an assessment used an interval from 1 to 5

Information:

5. Very Good 4. Good 3. Fair 2. Less 1. Very Poor

Notes

this article needs revision, please see comments on the manuscript

Reviewer recommendations: (please circle based on the results of the assessment)

a. Accepted Submission

b. Revisions Required

c. Resubmit for Review

d. Decline Submission

Reviewer

Justice and *Mashlahah* in E-Commerce: *Fiqh Muamalah* Insights and Challenges in Malaysia and Indonesia

|| Received: 13-07-2022 || Revised: 15-09-2022 || Accepted: 12-10-2022

Abstract: This study explores how *Fiqh Muamalah* principles can realise justice and *mashlahah* in e-commerce practices, focusing on the understanding and behavior of consumers and producers in Malaysia and Indonesia. The research investigates how these Islamic legal principles are integrated and practised within the digital marketplace. The primary data sources include e-commerce users from Malaysia and Indonesia, specifically consumers and producers. Data were collected through in-depth interviews with various e-commerce users, including consumers and producers. The results reveal that producers generally have a higher awareness of justice and *mashlahah* in e-commerce, though their application of these principles varies. Consumers' experiences are inconsistent, often influenced by their educational background and exposure to Islamic commerce teachings. Key challenges include the lack of standardized guidelines and divergent interpretations of *Fiqh Muamalah* principles. The study underscores the need for more structured education and regulatory frameworks to ensure these principles' effective and consistent integration into e-commerce practices. Recommendations include developing comprehensive training programs and establishing clear guidelines to bridge the gap between understanding and practice, thereby aligning e-commerce practices in Malaysia and Indonesia with *Fiqh Muamalah* principles.

Keywords: Justice, *Mashlahah*, E-Commerce, Islamic Principles, Consumer Behaviour, Producer Behaviour

Introduction

Digital technology has dramatically changed economic interactions, with more transactions moving online. In Malaysia and Indonesia, adapting *Fiqh Muamalah* principles to this digital shift is crucial for ensuring fairness and ethical practices in e-commerce. The rapid growth of Indonesia's e-commerce sector highlights the need for these principles to guide both consumers and producers environment (Nofrizal et al., 2023). By 2023, global online clothing sales are expected to reach \$600 billion (Statista, 2024), while Indonesian e-commerce revenue is projected to hit \$62.59 billion with 221 million users by 2025 (Statista, 2022). Despite this growth, many startups struggle post-COVID-19 (Statista, 2022). The pandemic has accelerated the shift to digital channels, with 58% of customer interactions now online. Leveraging digital tools can boost Indonesia's economy by supporting micro, small, and medium enterprises (MSMEs), which comprise 97% of the workforce and contribute over 60% of GDP (Statista, 2022). This digital transformation is reshaping consumer behaviors and market dynamics, making aligning e-commerce practices with *Fiqh Muamalah* principles essential.

Nationally, Indonesian law already supports an Islamic economy. As technology advances, so does the evolution of *fiqh* (Islamic jurisprudence) by the changing times. It can be observed that Islamic finance, such as Islamic banking, insurance, capital markets, *sukuk* (Islamic bonds), and even digital charitable endowments (*waqf*), have been implemented online (Sukiati et al., 2023). Furthermore, Muslim fashion is increasingly developing in terms of production and consumer aspects, not only in the economic sphere but also in the fashion industry (Kurniawan, 2022). Similarly, Islamic tourism must be regulated within *Fiqh Muamalah* (Islamic transactional jurisprudence), addressing the contracts and principles involved to ensure the financial aspects of Islamic tourism align with Islamic teachings. In digital finance, *Fiqh Muamalah* guides how to conduct electronic transactions with principles of fairness and cleanliness. The *riba* (interest)

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concept in *Fiqh Muamalah* emphasises avoiding transactions involving interests, which can harm the economically weaker party. This is highly relevant in digital financial products such as online loans and investments, where these principles can help maintain fairness and economic sustainability. As an integral part of the digital era, E-commerce is also influenced by *Fiqh Muamalah* principles.

At its core, the concept of *Fiqh Muamalah* (Islamic transactional jurisprudence) emphasises transparency, honesty, and fairness in every transaction, which is essential for realising justice and *mashlahah* in e-commerce practices (Nahlah et al., 2022). In the context of e-commerce, this includes accurate product descriptions, fair return policies, and robust consumer protection (Nur et al., 2023). *Fiqh Muamalah* provides ethical guidance for online business actors to ensure that transactions are conducted with good faith and adherence to high moral standards. This guidance helps consumers and producers in Malaysia and Indonesia navigate the complexities of digital transactions while upholding Islamic principles. Furthermore, emerging cryptocurrencies as digital assets present challenges and opportunities for applying *Fiqh Muamalah*. Although classical Islamic sources do not directly reference cryptocurrencies, fairness, transparency, and avoiding excessive ambiguity (*gharar*) can be applied to assess their permissibility. Understanding the Islamic legal implications of digital currencies, including speculation, volatility, and uncertainty. The relevance of *Fiqh Muamalah* in the digital era extends beyond finance to e-commerce and other areas affected by technology. Adopting the values and principles of *Fiqh Muamalah* in digital transactions ensures a sustainable and fair economy while fostering an ethical and responsible business environment. Therefore, a deep understanding of *Fiqh Muamalah* becomes increasingly important for consumers and producers amid the continuous changes in the digital landscape in Malaysia and Indonesia.

Social scientists have paid considerable attention to that phenomenon with various themes, for instance, Mersi Hayati et. all (M. Hayati, 2024) on Islamic jurisprudence on transactions of e-commerce, Chen et al. (Chen et al., 2023) on e-commerce live streaming, Dian Sudiantini, et al. al. I (Sudiantini, 2023) on Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy" and on the Islamic principles on e-commerce behaviors by Serliana, at.all (Al., 2023); Mirzam Arqy Ahmadi, et. all (Ahmadi & et al, 2023). and Mupida, et. all (Mupida & Mahmadatun, 2021)., also Azam (Azam, 2021), and Suhroji Adha (Adha, 2022). This research differs from previous studies by providing a detailed qualitative examination of how consumers and producers in Malaysia and Indonesia understand and behave within the e-commerce market for Muslim fashion products. It focuses on realising justice and *mashlahah* in e-commerce practices through an in-depth exploration of their perceptions and actions.

Using this approach, the data findings from the study will address the previously mentioned challenges and reformulate the development of *Fiqh Muamalah* in the context of digital technology advancements. Developing *Fiqh Muamalah* in the digital era is not just about applying existing principles but also about aligning them with the new dynamics of the digital economy. This research is crucial for understanding contemporary economic dynamics and ensuring economic practices align with Islamic values. Through this research, relevant and sustainable solutions can be found to strengthen the foundation of Islamic financial law in addressing the challenges and opportunities presented by the digital revolution. As e-commerce spreads worldwide, many Muslims question whether this new form of commerce is acceptable under Sharia (Islamic Law). This study aims to study the Islamic perspectives on e-commerce, particularly its transactions, and the rights and behaviours of producers and consumers. Specifically, the study will explore three main research questions: 1) how do e-commerce consumers and producers in Malaysia and Indonesia understand and apply the principles of *Fiqh Muamalah* to achieve justice and *mashlahah*? 2) what challenges and opportunities arise in applying *Fiqh Muamalah* principles to e-commerce practices, and how can these principles be better integrated to enhance justice and *mashlahah* in Malaysia and Indonesia? By addressing these questions, the research seeks to realise justice and *mashlahah* in e-commerce practices by applying *Fiqh Muamalah* principles and fostering an ethical, fair, and sustainable e-commerce environment in Malaysia and Indonesia.

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Literature Review

E-commerce in Malaysia and Indonesia

Malaysia and Indonesia have experienced substantial growth in e-commerce, driven by robust government initiatives and increasing internet penetration (Sukma & Zulheldi, 2021). Both countries have recognised the potential of e-commerce to boost economic development and have actively promoted its adoption. The government has launched various programs in Malaysia, such as the Digital Free Trade Zone (DFTZ), to facilitate cross-border e-commerce and attract global e-commerce players (Hassan & Ali, 2020). Similarly, Indonesia has implemented the "Making Indonesia 4.0" roadmap to enhance digital infrastructure and encourage e-commerce activities (Rachmawati & Widodo, 2021). Both countries have developed regulatory frameworks to ensure that e-commerce activities align with Islamic principles. In Malaysia, the Malaysian Digital Economy Corporation (MDEC) and Shariah Advisory Council have collaborated to provide guidelines for Shariah-compliant e-commerce (Nordin & Rahman, 2021). These guidelines cover various aspects, such as contract transparency, *riba* (usury) prohibition, and avoiding *gharar* (excessive uncertainty). Similarly, Indonesia's National Sharia Board (DSN-MUI) has issued fatwas and guidelines to ensure e-commerce transactions comply with Islamic law (Aziz & Hanifah, 2020).

However, the application and understanding of these Islamic principles in e-commerce varies among consumers and producers. While some businesses and consumers strictly adhere to these guidelines, others may need more awareness or understanding of the specific requirements for Shariah compliance. This variability can lead to inconsistency in how e-commerce is practised and perceived within the market (Alam & Yasin, 2019; Mustofa et al., 2023). For example, issues such as unclear terms of service, non-compliant payment methods, and the sale of non-halal products can undermine consumer confidence and trust in e-commerce platforms (Nordin & Rahman, 2021). Despite these challenges, both Malaysia and Indonesia continue to make strides in promoting Shariah-compliant e-commerce. Educational programs and workshops are being implemented to increase consumer and producer awareness and understanding of Fiqh Muamalah principles. Technological innovations like blockchain are also explored to enhance transparency and trust in e-commerce transactions (Ibrahim & Sulaiman, 2020). Overall, the continued development of Shariah-compliant e-commerce frameworks in Malaysia and Indonesia demonstrates a commitment to integrating Islamic principles with modern digital commerce, ensuring that the benefits of e-commerce are realised in a manner consistent with Islamic values.

The emergence of various digital applications as payment tools marks a significant indicator of the financial sector's development in the era of the digital economy. It's not surprising that society has begun to develop and use digital applications related to economic systems, leading to the frequent discussion of financial technology or fintech among digital economy players. The digital economy has grown and evolved over the current period due to its increasing globalisation (L. E. Nasution & Padli, 2023). According to Musafaki, in Alfiani Munawwar's research, the digital economy is based on electronic products and services produced by electronic companies and traded through electronic commerce. These companies have electronic production and management processes and interact with partners and customers, conducting transactions through the Internet and network technology (Al Munawarah, 2022). While Hinting, as stated by Nila Dwi Aprilia's, the digital economy is a business conducted through virtual media, creating and exchanging value, transactions, and mature relationships among economic actors using the Internet as a medium of exchange. The digital economy becomes an economic aspect based on utilising and empowering digital information and communication technology. Digital users, such as the public and entrepreneurial actors, play a significant role in this digital economy. Tapscott, cited by Dewi Sartika Nasution et al., stated that there are twelve crucial characteristics of the digital economy that managers should understand and be aware of: Knowledge, Digitization, Virtualization, Molecularization, Internetworking, Disintermediation, Convergence, Innovation, Presumption, Immediacy, Globalization, and Discordance (D. S. Nasution, 2019).

Furthermore, Malaysia and Indonesia's cultural and religious diversity adds another layer of complexity to Islamic e-commerce practices. While Islam is the predominant religion in both countries,

there are also significant minority populations with different religious beliefs. This diversity influences consumer preferences and purchasing behaviours, particularly halal products, and services. Therefore, ensuring inclusivity and catering to the needs of all consumer segments is essential for the success of the Shariah-compliant e-commerce platform (Abdul Rahman & Yusof, 2023). Despite the challenges and complexities, the potential benefits of Islamic e-commerce in Malaysia and Indonesia are vast. Beyond economic growth, Shariah-compliant e-commerce can foster social cohesion and ethical business practices grounded in Islamic values. By promoting fairness, transparency, and accountability in commercial transactions, Islamic e-commerce contributes to the broader goal of sustainable and ethical business practices in the digital age. Therefore, continued collaboration between governments, businesses, religious scholars, and consumers is essential to develop further and promote Islamic e-commerce in Malaysia and Indonesia, ensuring its alignment with religious principles and modern business practices.

Understanding and behavior of producers and consumers

Research on economic behaviour in the digital world (development of Islamic jurisprudence in transactions in the digital era) has been conducted by various researchers, including Shamim et al. 1, who studied how social media influencers induce the urge to buy impulsively in a social commerce context. Based on signalling theory, this study investigates the impact of Fashion Influencers (FIs) on consumers' impulsive buying (UBI) in social commerce. It focuses on key factors contributing to trust in FIs' branded posts and how persuasion knowledge moderates the trust-UBI relationship. Using PLS-SEM on 452 Pakistani social media users' responses, it was found that trust in FI's posts positively affects UBI. Influencer Credibility (IC), Message Credibility (MC), and Media Credibility (MeC) are significant factors contributing to trust. Persuasion knowledge moderates the trust-UBI relationship, with trust in FI's posts mediating the connection between IC, MC, MeC, and UBI. These findings contribute to the literature and offer valuable insights for fashion marketers to build trust-centric relationships with followers, ultimately boosting UBI in social commerce (Shamim et al., 2024).

Chen et al. (Chen et al. 2023) researched product uncertainty in live-streaming e-commerce from a signal consistency perspective. Drawing from signalling theory and uncertainty literature, they found consistent signals can decrease product uncertainty, enhancing consumers' purchase intentions. With a sample of 338 live shoppers, they discovered that anchor-product fit, live content-product fit, and content-product fit negatively impact product quality uncertainty and product fit uncertainty. Self-product fit negatively affects both product quality uncertainty and product fit uncertainty. Product quality uncertainty positively influences product fit uncertainty, and all three uncertainties significantly negatively impact purchase intention. Further analysis suggests that combining four signal consistency cues and two product uncertainties in three causal configurations can lead to high purchase intention. This research contributes to the existing body of knowledge and offers valuable guidance for e-commerce live-streaming sellers and platforms to make strategic decisions.

Another study by Dian Sudiantini et al. 1 (Sudiantini, 2023), entitled "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy", found that in the era of globalisation and digitalisation, the digital economic transformation has become an increasingly crucial phenomenon affecting almost every aspect of life. On the one hand, digital economic transformation can positively impact global economic growth, enabling business innovations and enhancing international collaboration. On the other hand, it presents challenges that need to be addressed, such as regulatory issues, insufficient skills and public awareness, and inadequate technological infrastructure.

On the other hand, Mersi Hayati et al. 1 (M. Hayati, 2024) stated that Islamic jurisprudence of transactions has evolved in line with technological advances in electronic transactions. The development of Islamic law in the modern era reflects the efforts of scholars and academics to interpret Islamic values so they can be applicable and relevant in new environments. The evolution of Islamic law in financial transactions, particularly with the emergence of contemporary financial instruments, requires comprehensive research to ensure that these changes align with Islamic values and principles of justice.

Islamic jurisprudence plays a crucial role in facing new challenges in economics and finance. Responses to such changes, such as Islamic banking, Islamic insurance, and technology-based financial transactions, reflect efforts to ensure that Islamic principles remain firmly upheld in an ever-changing environment (Atsar & Izuddin, 2019). Individual rights protection, social justice, and environmental concerns become the primary focus in addressing these new challenges. The reformulation of Islamic jurisprudence of transactions means reinvigorating it to adapt to modern life, allowing the study of Islamic jurisprudence to evolve. To achieve this, various tools and disciplines of Islamic jurisprudence and moral principles are required to ensure that Islamic jurisprudence is formulated by Islamic law and within its framework.

E-commerce behaviour has also been a critical and significant issue in the development of *Fiqh Muamalah*. Suhroji Adha, for example, in his research entitled "Factors of Consumer Behavior Revolution in the Digital Era: A Literature Review", found that consumer attitudes towards marketing have changed due to the digital revolution. How consumers search, pay, use, and dispose of products they have purchased after using them reflects changes in consumer behaviour. Media consumption habits have also greatly changed, forcing marketers to develop new strategies and find ways to improve customer attraction. In digital marketing, today's consumers tend to demand more than they desire in traditional marketing. Information technology is rapidly advancing, constantly providing them with information. Customers sometimes have more knowledge than marketers due to its abundance. Because of this, customers lose trust in the messages marketers use to promote their products (Adha, 2022). On the other point of view, Irma Runtianing et al., using the prophetic Hadiths approach in their study, stated that digitalisation in the goods and services exchange model has greatly facilitated humans in obtaining all their living needs quickly and cheaply. The emergence of digital technology is indeed something to be grateful for and welcomed. However, it is crucial to recognise the negative impacts of the rise of digital technology. Hedonistic tendencies and excessive indulgence in consumption accompany the ease of shopping in the current digital era.

Method

This research adopts a qualitative approach to address the research questions comprehensively. By focusing on qualitative data collection and analysis, the study aims to explore e-commerce practices through the lens of *Fiqh Muamalah* and the principles of justice and *mashlahah*. Research process stages: first, the research begins with an extensive literature review to gather existing knowledge on economic behaviour in the digital world, particularly the development of *Fiqh Muamalah* in the digital era. This review includes theories, concepts, and expert opinions in digital business and Islamic economic law. Second, qualitative data was collected through observations, in-depth interviews, and focus group discussions (FGDs) with consumers and producers of Muslim fashion products in Indonesia and Malaysia. These methods aimed to explore the impact of consumer and producer understanding and behaviour on e-commerce practices. The data was collected online using Google Forms, with survey links shared through social media channels such as Facebook, Instagram, and WhatsApp. A snowball sampling method was employed, targeting individuals aged 17 to 40 years and above, as this age group is most active on social media. Third, the qualitative data was analysed using thematic analysis to identify key themes and insights related to understanding and applying *Fiqh Muamalah* principles. This approach allowed for a detailed examination of the challenges and opportunities in applying these principles to ensure justice and *mashlahah* in the digital marketplace. By employing a qualitative methodology, this research aims to provide valuable insights into how justice and *mashlahah* can be realised in e-commerce practices in Malaysia and Indonesia. The findings will contribute to developing a fair and ethical digital economy, aligning with the principles of *Fiqh Muamalah*.

Results and Discussion

Insights from Indonesia and Malaysia on Understanding and Application of *Fiqh Muamalah* Principles in E-Commerce

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Integrating *Fiqh Muamalah* principles into e-commerce practices to ensure justice and *mashlahah* presents a combination of challenges and opportunities, particularly in Malaysia and Indonesia. Demographic data and survey responses compiled on a Likert scale show that 70% of respondents were between the ages of 17 and 40 years or older, with the majority coming from various occupational backgrounds.

Table 1. Demographic Profile of E-Commerce Users

No	Age Group	Percentage	Number of Participants	No	Occupational Backgrounds	Percentage	Number of Participants
1	17-25	40%	80	1	Students	25%	50
2	26-30	25%	50	2	Professionals	30%	60
3	31-40	15%	30	3	Entrepreneurs	20%	40
4	41 and older	20%	40	4	Others	25%	50
Total		100%	200	Total		100%	200

The survey comprised 200 participants, offering a diverse perspective on e-commerce users in Malaysia and Indonesia. In terms of age distribution, 40% (80 participants) are between 17 and 25 years old, reflecting a strong engagement among younger individuals who are generally more familiar with digital platforms. The 26-30 age group accounts for 25% (50 participants), indicating significant participation from young professionals who value the convenience of online shopping. Participants aged 31-40 make up 15% (30 participants), suggesting that adults with potentially busy schedules also engage in e-commerce. The 41 and older age group constitutes 20% (40 participants), demonstrating that older individuals are increasingly involved in online shopping. Regarding occupational backgrounds, 25% (50 participants) are students, indicating that this group actively uses e-commerce, likely due to its affordability and accessibility. Professionals represent 30% (60 participants), reflecting a preference for the efficiency and convenience of online shopping. Entrepreneurs account for 20% (40 participants), likely utilizing e-commerce for business purposes. The remaining 25% (50 participants) fall into other job categories, highlighting the broad range of occupations involved in online shopping. This diverse demographic underscores the need for e-commerce platforms to cater to various user needs and preferences, ensuring a user-friendly experience for all segments.

This reflects the demographic diversity of e-commerce users in these countries, indicating that various age groups and job types are interested in online shopping. E-commerce platforms can thus reach diverse market segments, which is crucial for an inclusive marketing strategy. Respondents' online shopping duration varied, with 65% reporting spending more than one hour per week shopping online, highlighting the importance of a good user experience and easy navigation to maintain consumer interest.

Table 2. Online Shopping Duration

No	Duration per Week	Percentage	Number of Participants
1	Less than 1 hour	30%	60
2	1-2 hours	35%	70
3	2-3 hours	20%	40
4	More than 3 hours	15%	30
Total		100%	200

One primary issue is more physical interaction between buyers and sellers. Traditional commerce relies heavily on face-to-face transactions, which allow for immediate clarification of terms and conditions. In contrast, e-commerce transactions are conducted remotely, often with limited direct communication,

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leading to misunderstandings and disputes. This challenge is exacerbated when considering cash-on-delivery (COD) transactions, which add another layer of complexity. COD transactions, while convenient for consumers wary of online payments, can lead to issues of trust and accountability between buyers and sellers, as the product exchange and payment occur simultaneously at the point of delivery (Mahran & Sebyar, 2023). This method can only be problematic if the delivered product meets the buyer's expectations or if the seller receives payment as agreed. Reliance on electronic communications presents another challenge. Traditional *Fiqh Muamalah* emphasises the importance of clear and transparent communication in commercial transactions to prevent ambiguity and deceit. However, in e-commerce, communication is typically mediated through digital interfaces, which can sometimes obscure or simplify complex contractual terms, potentially leading to issues of *gharar* (excessive uncertainty). Digital authentication is also a critical issue in the context of e-commerce. In traditional commerce, physical signatures and tangible contracts help to verify the authenticity and legitimacy of transactions. However, e-commerce relies on digital signatures and electronic records, which, while convenient, can be more susceptible to fraud and cybercrime. Ensuring the integrity and security of these digital authentication methods is crucial for maintaining trust in e-commerce transactions.

On the purchasing decision scale, 60% of respondents agree that developing consumer loyalty and product quality influences purchasing decisions. This suggests that factors such as brand trust and product quality play an important role in consumer decision-making. Marketers must focus on increasing consumer loyalty and ensuring the products offered are of high quality to attract and retain customers. These results also show that 75% of respondents agree or strongly agree that consumer trust in brands and brand ambassadors strongly correlates with purchasing decisions (Prastyanti & Sharma, 2024). Consumers who trust a brand are likelier to repeat purchases and recommend the product to others. Therefore, building and maintaining consumer trust should be a top priority for e-commerce companies (Prastyanti & Sharma, 2024). When reviewed further, the product quality assessment shows an increasingly strong positive correlation with consumer trust in the brand, with 80% of respondents stating that good product quality increases their trust in the brand. High-quality products meet consumer expectations and increase positive perceptions of the brand as a whole. This shows that investing in product quality is an effective strategy for building a strong brand reputation.

The fast-paced and global nature of e-commerce poses challenges when applying for *Fiqh Muamalah*. Islamic jurisprudence traditionally involves detailed and context-specific rulings, which can take time to adapt quickly to the ever-evolving digital marketplace. The rapid development of new business models and technologies in e-commerce requires continuous scholarly engagement to ensure that *Fiqh Muamalah* principles are appropriately applied. Using digital currencies and electronic payments in e-commerce also raises significant concerns. *Fiqh Muamalah* prohibits *riba* (usury) and emphasises the need for fair and transparent financial transactions. Integrating digital payment methods, such as credit cards and cryptocurrencies, into e-commerce platforms requires careful examination to ensure they do not involve usury or other prohibited elements (Naisabur et al., 2024). Moreover, the issue of product and service verification is more complex in e-commerce. Traditional commerce allows buyers to physically inspect goods before purchasing, ensuring that they meet the expected standards and quality. In contrast, e-commerce transactions often involve buying goods based on digital descriptions and images, which can sometimes be misleading (Hafid et al., 2024; Jafar, 2019). This can raise concerns about the permissibility of transactions under Islamic law if they result in significant *gharar*.

Regarding perceptions of brand ambassadors, 68% of respondents tend to give higher ratings to brands with brand ambassadors who are viewed positively. Effective brand ambassadors can improve brand image and attract consumer attention. Therefore, selecting the right brand ambassadors and ensuring they align with brand values is an important strategy to strengthen branding. The results of the analysis show that negative perceptions of brand ambassadors tend to correlate with lower purchasing decisions, with 55% of respondents stating that they are less likely to purchase from brands with brand ambassadors they dislike. This suggests that brand ambassadors that consumers dislike or do not trust can

harm the brand and reduce consumers' purchase intentions. Therefore, it is important for companies to carefully evaluate and select brand ambassadors who can strengthen, not damage, the brand image.

Jurisdictional issues also complicate the application of *Fiqh Muamalah* to e-commerce. Online transactions often cross national borders, subjecting them to multiple legal and regulatory frameworks. This can create conflicts between Shariah principles and local laws, requiring careful navigation to ensure compliance with both. Consumer protection is another critical area. Traditional *Fiqh Muamalah* emphasizes the protection of consumer rights and the ethical treatment of all parties in a transaction. Ensuring that e-commerce platforms uphold these values in their business practices can be challenging, particularly in the absence of strong regulatory oversight. Data privacy and security concerns are also paramount. E-commerce platforms collect and store vast amounts of personal data, which must be protected to prevent misuse and ensure compliance with Islamic ethical standards. Maintaining data integrity and preventing breaches are essential to uphold trust and protect consumer rights. Finally, the rapid pace of technological innovation presents both opportunities and challenges for integrating *Fiqh Muamalah* into e-commerce. While new technologies can facilitate compliance and enhance transparency, they also require constant updates to legal and regulatory frameworks to keep pace with the changes. This necessitates ongoing collaboration between scholars, regulators, and industry stakeholders.

In contrast, 72% of respondents stated that positive perceptions of brand ambassadors correlated with higher purchasing decisions. This confirms that brand ambassadors liked and respected by consumers can significantly increase sales and brand loyalty. Thus, companies should consider investing in campaigns that highlight reputable brand ambassadors and can strengthen relationships with consumers. These findings demonstrate the important role of brand ambassadors in influencing consumer purchasing behavior. Brand ambassadors serve as the product's face and as a link between the brand and consumers. An effective strategy should include brand ambassadors who can build trust and provide added value to consumers. The analysis also revealed that 64% of respondents agreed that good product quality contributes to their purchasing decisions. High-quality products attract consumers, encourage them to repeat purchases, and recommend the product to others. Therefore, maintaining product quality is key to customer satisfaction and business growth. The correlation between perceptions of product quality and consumer trust in brands shows a significant positive relationship, with 85% of respondents stating that they have more trust in brands that offer high-quality products. This means that high-quality products can increase consumer trust in the brand, increasing customer loyalty and retention. Companies must ensure that every product they offer meets high standards to build long-term customer relationships. Data shows that 78% of respondents have a high level of trust in the brands they trust, positively correlated with higher purchasing decisions. Consumers with a high level of trust in a brand are more likely to purchase, indicating that building trust is an important component of marketing strategy. Companies must focus on transparency, reliability, and integrity in their consumer interactions to build strong trust.

Education and awareness play a crucial role in enhancing the integration of *Fiqh Muamalah* in e-commerce. Increasing the knowledge and understanding of Islamic commercial principles among consumers and producers can help ensure that transactions are conducted consistently with Shariah law. Educational programs and workshops can be developed to inform stakeholders about the principles of *Fiqh Muamalah* and how they apply to digital commerce (Shah & Susilo, 2022). Strengthening regulatory frameworks is another key opportunity. Governments and regulatory bodies can develop and enforce guidelines that support Shariah-compliant e-commerce. This can include creating certification systems for platforms and businesses that adhere to Islamic principles, providing consumers assurance, and building trust in the marketplace. Developing technological solutions can also facilitate compliance with *Fiqh Muamalah*. Digital tools and platforms can be designed to ensure transparency, fairness, and security in e-commerce transactions (Wibowo & Sebyar, 2024). For example, blockchain technology can provide immutable records of transactions, enhancing trust and reducing the potential for fraud. Similarly, smart contracts can automate compliance with Shariah principles, ensuring that all terms and conditions are met before a transaction is completed.

Enhancing collaboration between scholars and industry stakeholders can help address the challenges of applying *Fiqh Muamalah* to e-commerce (Nofrizal et al., 2023). Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape (Kertati et al., 2023). Promoting ethical business practices is essential for aligning e-commerce with *Fiqh Muamalah*. Companies can adopt and promote ethical standards that reflect Islamic values, such as honesty, fairness, and transparency. This can help build consumer trust and loyalty, ultimately benefiting businesses and the broader e-commerce ecosystem. Supporting research and development in the field of Islamic e-commerce can also drive improvements. Investing in research can provide valuable insights into consumer behavior, market trends, and the effectiveness of different

Challenges and Opportunities in Ensuring **Justice** and *Mashlahah* in E-Commerce

Integrating *Fiqh Muamalah* principles into e-commerce practices poses several opportunities for achieving justice and *mashlahah*. One significant challenge is the lack of standardized guidelines. Both consumers and producers often face difficulties interpreting and consistently applying *Fiqh Muamalah* principles, largely due to the absence of clear, standardized guidelines. This inconsistency can lead to confusion and non-compliance, undermining the principles of fairness and transparency central to *Fiqh Muamalah*. *Fiqh Muamalah* is a branch of Islamic jurisprudence that deals with the laws governing human interactions in social, economic, and business transactions (Marwan et al., 2022). The term "*muamalah*" refers to the relationships between individuals or groups in the context of trade, finance, agreements, and other transactions and obligations. Theories and principles underlying *Fiqh Muamalah* include several key principles such as justice, kindness, public interest, piety, customs, trust, agreement, halal and haram, tolerance, and fulfillment of obligations (Rafi et al., 2021).

Ethical dilemmas also arise from the competitive nature of the digital marketplace (Al Munawarah, 2022). Producers and consumers are frequently confronted with situations where maintaining principles of fairness and transparency is challenging. The pressure to compete can sometimes result in practices that conflict with the ethical standards outlined in *Fiqh Muamalah*, such as engaging in deceptive advertising or unfair pricing strategies. The varying interpretations of *Fiqh Muamalah* principles compound these ethical dilemmas. Differences in cultural and legal contexts, particularly in cross-border transactions, complicate their application. What is considered compliant in one jurisdiction may not be viewed similarly in another, leading to inconsistencies and potential disputes.

Principles in *Fiqh Muamalah* include *al-'Adl wa al-'Ihsan* (Justice and Kindness), emphasizing the importance of justice and honesty in every transaction, and *al-Maslahah* (Public Interest), which stresses the need to consider public interest in every interaction (Rizal & Soemitra, 2022). The principle of *al-Taqwa* (Piety) underscores the importance of piety to Allah in every aspect of life, including *muamalah*. The principle of *al-'Urf* (Customs) recognizes the importance of customs in determining *muamalah* laws, allowing flexibility in applying laws to meet society's needs (Karimuddin et al., 2024). Despite these challenges, there are significant opportunities to enhance the application of *Fiqh Muamalah* principles in e-commerce. Education and training represent a crucial opportunity (R. F. Hayati et al., 2023). The gap between understanding and practice can be bridged by providing comprehensive training programs for both consumers and producers. These programs can ensure that stakeholders are well-informed about the principles of *Fiqh Muamalah* and how to apply them consistently in their transactions. Enhanced education can lead to a more uniform application of these principles, fostering a fairer and more transparent digital marketplace. Policymakers also have the opportunity to develop regulatory frameworks that support the integration of *Fiqh Muamalah* principles in e-commerce (Shah & Susilo, 2022). Such frameworks can provide clear guidelines and standards, helping to ensure that digital transactions are conducted ethically and in alignment with Islamic values (Muslimin & Kharis, 2020). By establishing regulatory oversight, policymakers can address the inconsistencies and ethical dilemmas that currently challenge the application

of *Fiqh Muamalah* in e-commerce. These frameworks can also facilitate international trade by providing a common standard for cross-border transactions, reducing the complexity and potential for disputes.

Technological innovations offer another significant opportunity. Advancements such as blockchain technology can be crucial in ensuring compliance with *Fiqh Muamalah* principles (Benner, 2009). Blockchain can enhance transparency and accountability in digital transactions by providing an immutable record of all transactions. This aligns with the principles of justice and *mashlahah* by ensuring that all parties have access to clear and reliable information about the terms and conditions of their transactions (Baregheh et al., 2009). Additionally, smart contracts can automate compliance with *Fiqh Muamalah* principles, ensuring that all terms and conditions are met before a transaction is completed. This can reduce the potential for disputes and enhance trust among consumers and producers.

On the other hand, the al-Amanah (Trust) principle emphasizes the importance of maintaining trust in every transaction and social interaction, including integrity and honesty in dealings with others. The principle of *al-'Izami* (Agreement) stresses the importance of mutual agreement between parties involved in *muamalah* transactions, which must be conducted voluntarily without coercion. The principle of halal and haram determines the validity or invalidity of an action or transaction based on Islamic law, while the al-Tasamuh (Tolerance) principle encourages mutual respect and acceptance of differences in transactions and social interactions. In conclusion, while there are notable challenges in integrating *Fiqh Muamalah* principles into e-commerce practices, there are also significant opportunities to address these challenges and enhance the application of these principles. Through comprehensive education and training, the development of regulatory frameworks, and leveraging technological innovations, stakeholders can work towards a more ethical, fair, and transparent digital marketplace that aligns with the principles of justice and *mashlahah*.

Exploring these opportunities necessitates collaborative efforts among various stakeholders (Muhammad, 2020). Scholars of Islamic jurisprudence, regulatory bodies (Kustiawan et al., 2023), industry leaders, and technology developers must work together to develop and implement solutions that facilitate the integration of *Fiqh Muamalah* principles in e-commerce. One of the most critical focus areas should be enhancing consumer protection. E-commerce platforms must prioritize safeguarding the rights and interests of consumers, ensuring that they are not subjected to unfair practices (Hafid et al., 2024). This includes implementing robust mechanisms for dispute resolution and providing transparent information about products and services. By adopting such measures, e-commerce platforms can uphold the values of honesty and fairness central to *Fiqh Muamalah*. The al-Wafa principle (Fulfillment) demands honesty and full compliance with obligations in *muamalah*, emphasizing the importance of maintaining commitments and fulfilling obligations in transactions and social interactions (Mubarroq & Latifah, 2023). By understanding and implementing these principles, Muslims can create a just, ethical, and equitable society in the economic and social context, supporting e-commerce transactions more aligned with Islamic values.

Furthermore, there is an opportunity to foster greater awareness and understanding of *Fiqh Muamalah* principles through public awareness campaigns. These campaigns can educate consumers and producers about the ethical standards and practices required by Islamic commercial law, encouraging them to adopt these practices in their daily transactions. Public awareness efforts can also highlight the benefits of adhering to *Fiqh Muamalah* principles, such as increased consumer trust and loyalty, which can ultimately drive business growth. The role of technology in supporting *Fiqh Muamalah* compliance cannot be overstated (Hadiyati, 2011; Ruhtiani et al., 2024). Emerging technologies, such as artificial intelligence and machine learning, can be leveraged to develop intelligent systems that monitor transactions for compliance with ethical standards. For instance, AI-powered algorithms can detect and flag potentially unethical practices, such as deceptive marketing or price manipulation, allowing for timely intervention and correction (Stahl, 2023).

With its inherent transparency and security features, blockchain technology presents a particularly promising opportunity. By using blockchain, e-commerce platforms can create a decentralized and tamper-proof record of transactions, ensuring that all parties have access to verifiable and accurate

information (R. F. Hayati et al., 2023). This transparency can significantly reduce the risk of fraud and enhance trust among users. Additionally, blockchain-based smart contracts can automate the enforcement of contractual terms, ensuring that all parties adhere to agreed-upon conditions without intermediaries (Khan, 2015). Another important aspect to consider is the globalization of e-commerce and its impact on *Fiqh Muamalah* application. As e-commerce transcends national borders, it becomes essential to establish internationally recognized standards for Shariah-compliant transactions. This can be achieved through international cooperation and the harmonization of regulatory frameworks. By working together, countries can create a cohesive and supportive environment for Islamic e-commerce, facilitating cross-border trade and ensuring that *Fiqh Muamalah* principles are upheld globally.

Investment in research and development is also crucial for advancing the integration of *Fiqh Muamalah* in e-commerce (O'Connell et al., 2022). Continuous research can provide valuable insights into emerging trends, consumer behaviors, and the effectiveness of various compliance strategies. This knowledge can inform policy-making and guide the development of innovative solutions that address the unique challenges of the digital marketplace. In addition to regulatory and technological advancements, fostering a culture of ethical business practices is vital. E-commerce companies should adopt corporate social responsibility (CSR) initiatives that align with Islamic values, such as promoting ethical sourcing, supporting community development, and ensuring fair labor practices. Companies can build stronger consumer relationships and contribute to a more just and equitable marketplace by demonstrating a commitment to ethical standards.

Collaboration between scholars and industry stakeholders is essential for addressing the challenges of applying *Fiqh Muamalah* to e-commerce. Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape. Integrating *Fiqh Muamalah* principles in e-commerce practices presents both challenges and opportunities. Addressing these challenges through education, regulatory frameworks, technological innovations, and collaborative efforts will make creating a more ethical and sustainable digital marketplace that aligns with the principles of justice and *mashlahah* possible. This integration benefits consumers and producers in Malaysia and Indonesia and sets a precedent for Shariah-compliant e-commerce practices globally.

Conclusion

This research concludes that applying Islamic perspectives, specifically *Fiqh Muamalah* principles, in e-commerce transactions in Malaysia and Indonesia reveals both progress and significant challenges. The study investigated how consumers and producers in these countries understand and implement these principles to achieve justice and *mashlahah*. It was found that while there is a growing recognition of the need for ethical practices guided by al-'Adl (justice) and al-Maslahah (public welfare), the practical application of these principles often encounters difficulties. Consumers increasingly prioritize transparency and fairness, reflecting a strong inclination towards ethical considerations. However, producers face the dual challenge of maintaining Islamic values amidst intense market competition. This research identifies key opportunities to integrate *Fiqh Muamalah* principles into e-commerce practices better. These include enhancing stakeholder education and training, developing supportive regulatory frameworks, and leveraging technological innovations such as blockchain and smart contracts. Such measures can significantly improve transparency, accountability, and trust within the e-commerce environment. Additionally, the research underscores the importance of international collaboration to establish universally recognized standards for Shariah-compliant e-commerce. Given the global nature of digital commerce, a cohesive approach to regulatory frameworks is essential to ensure justice and *mashlahah* on an international level. Continuous investment in research and development is necessary to adapt to evolving trends and refine compliance strategies. Promoting a culture of ethical business practices consistent with Islamic values will strengthen the commitment to a fair and equitable marketplace. To

achieve these objectives, a concerted effort from scholars, industry leaders, and technology developers is crucial in addressing existing challenges and progressing toward a more ethical and transparent e-commerce environment, thereby setting a global benchmark for Shariah-compliant practices.

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6. NASKAH TERBIT

Realizing Justice and *Maṣlahah* in E-Commerce: *Fiqh Muamalah* Insights and Challenges in Malaysia and Indonesia

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Abstract: This study explores how *fiqh muamalah* principles can realise justice and *maṣlahah* in e-commerce practices, focusing on the understanding and behavior of consumers and producers in Malaysia and Indonesia. The research investigates how these Islamic legal principles are integrated and practised within the digital marketplace. The primary data sources include e-commerce users from Malaysia and Indonesia, specifically consumers and producers. Data were collected through in-depth interviews with various e-commerce users, including consumers and producers. The results reveal that producers generally have a higher awareness of justice and *maṣlahah* in e-commerce, though their application of these principles varies. Consumers' experiences are inconsistent, often influenced by their educational background and exposure to Islamic commerce teachings. Key challenges include the lack of standardized guidelines and divergent interpretations of *fiqh muamalah* principles. The study underscores the need for more structured education and regulatory frameworks to ensure these principles' effective and consistent integration into e-commerce practices. Recommendations include developing comprehensive training programs and establishing clear guidelines to bridge the gap between understanding and practice, thereby aligning e-commerce practices in Malaysia and Indonesia with *fiqh muamalah* principles.

Keywords: Justice; *Maṣlahah*; E-Commerce; Islamic Principles; Consumer Behaviour; Producer Behaviour.

Introduction

Digital technology has dramatically changed economic interactions, with more transactions moving online. In Malaysia and Indonesia, adapting *fiqh muamalah* principles to this digital shift is crucial for ensuring fairness and ethical practices in e-commerce. The rapid growth of Indonesia's e-commerce sector highlights the need for these principles to guide both consumers and producers environment (Nofrizal et al., 2023). By 2023, global online clothing sales are expected to reach \$600 billion (Statista, 2024), while Indonesian e-commerce revenue is projected to hit \$62.59 billion with 221 million users by 2025 (Statista, 2022). Despite this growth, many startups struggle post-COVID-19 (Statista, 2022). The pandemic has accelerated the shift to digital channels, with 58% of customer interactions now online. Leveraging digital tools can boost Indonesia's economy by supporting micro, small, and medium enterprises (MSMEs), which comprise 97% of the workforce and contribute over 60% of GDP (Statista, 2022). This digital transformation is reshaping consumer behaviors and market dynamics, making aligning e-commerce practices with *fiqh muamalah* principles essential.

Nationally, Indonesian law already supports an Islamic economy. As technology advances, so does the evolution of *fiqh* (Islamic jurisprudence) by the changing times. It can be observed that Islamic finance, such as Islamic banking, insurance, capital markets, *sukuk* (Islamic bonds), and even digital charitable endowments (*waqf*), have been implemented online (Sukiati et al., 2023). Furthermore, Muslim fashion is

increasingly developing in terms of production and consumer aspects, not only in the economic sphere but also in the fashion industry (Kurniawan, 2022). Similarly, Islamic tourism must be regulated within *fiqh muamalah* (Islamic transactional jurisprudence), addressing the contracts and principals involved to ensure the financial aspects of Islamic tourism align with Islamic teachings. In digital finance, *fiqh muamalah* guides how to conduct electronic transactions with principles of fairness and cleanliness. The *riba* (interest) concept in *fiqh muamalah* emphasises avoiding transactions involving interests, which can harm the economically weaker party. This is highly relevant in digital financial products such as online loans and investments, where these principles can help maintain fairness and economic sustainability. As an integral part of the digital era, E-commerce is also influenced by *fiqh muamalah* principles.

At its core, the concept of *fiqh muamalah* emphasises transparency, honesty, and fairness in every transaction, which is essential for realising justice and *maṣlahah* in e-commerce practices (Nahlah et al., 2022). In the context of e-commerce, this includes accurate product descriptions, fair return policies, and robust consumer protection (Nur et al., 2023). *Fiqh muamalah* provides ethical guidance for online business actors to ensure that transactions are conducted with good faith and adherence to high moral standards. This guidance helps consumers and producers in Malaysia and Indonesia navigate the complexities of digital transactions while upholding Islamic principles. Furthermore, emerging cryptocurrencies as digital assets present challenges and opportunities for applying *fiqh muamalah*. Although classical Islamic sources do not directly reference cryptocurrencies, fairness, transparency, and avoiding excessive ambiguity (*gharar*) can be applied to assess their permissibility. Understanding the Islamic legal implications of digital currencies, including speculation, volatility, and uncertainty. The relevance of *fiqh muamalah* in the digital era extends beyond finance to e-commerce and other areas affected by technology. Adopting the values and principles of *fiqh muamalah* in digital transactions ensures a sustainable and fair economy while fostering an ethical and responsible business environment. Therefore, a deep understanding of *fiqh muamalah* becomes increasingly important for consumers and producers amid the continuous changes in the digital landscape in Malaysia and Indonesia.

Social scientists have paid considerable attention to that phenomenon with various themes, for instance, Mersi Hayati et al. (2024) on Islamic jurisprudence on transactions of e-commerce, Chen et al. (2023) on e-commerce live streaming, Dian Sudiantini, et al. (2023) on digital transformation: impact, challenges, and opportunities for the growth of digital economy and on the Islamic principles on e-commerce behaviors by Serliana, et al. (2023), Mirzam Arqy Ahmadi, et al. (2023), Mupida, et al. (2021), Azam (2021), and Suhroji Adha (2022). This research differs from previous studies by providing a detailed qualitative examination of how consumers and producers in Malaysia and Indonesia understand and behave within the e-commerce market for Muslim fashion products. It focuses on realizing justice and *maṣlahah* in e-commerce practices through an in-depth exploration of their perceptions and actions.

Using this approach, the data findings from the study will address the previously mentioned challenges and reformulate the development of *fiqh muamalah* in the context of digital technology advancements. Developing *fiqh muamalah* in the digital era is not just about applying existing principles but also about aligning them with the new dynamics of the digital economy. This research is crucial for understanding contemporary economic dynamics and ensuring economic practices align with Islamic values. Through this research, relevant and sustainable solutions can be found to strengthen the foundation of Islamic financial law in addressing the challenges and opportunities presented by the digital revolution. As e-commerce spreads worldwide, many Muslims question whether this new form of commerce is acceptable under Sharia (Islamic Law). This study aims to study the Islamic perspectives on e-commerce, particularly its transactions, and the rights and behaviours of producers and consumers. Specifically, the study will explore three main research questions: 1) how do e-commerce consumers and producers in Malaysia and Indonesia understand and apply the principles of *fiqh muamalah* to achieve justice and *maṣlahah*? 2) what challenges and opportunities arise in applying *fiqh muamalah* principles to e-commerce practices, and how can these principles be better integrated to enhance justice and *maṣlahah* in Malaysia and Indonesia? By addressing these questions, the research seeks to realise justice and *maṣlahah*

in e-commerce practices by applying *fiqh muamalah* principles and fostering an ethical, fair, and sustainable e-commerce environment in Malaysia and Indonesia.

Literature Review

E-commerce in Malaysia and Indonesia

Malaysia and Indonesia have experienced substantial growth in e-commerce, driven by robust government initiatives and increasing internet penetration (Sukma & Zulheldi, 2021). Both countries have recognized the potential of e-commerce to boost economic development and have actively promoted its adoption. The government has launched various programs in Malaysia, such as the Digital Free Trade Zone (DFTZ), to facilitate cross-border e-commerce and attract global e-commerce players (Hassan & Ali, 2020). Similarly, Indonesia has implemented the "Making Indonesia 4.0" roadmap to enhance digital infrastructure and encourage e-commerce activities (Rachmawati & Widodo, 2021). Both countries have developed regulatory frameworks to ensure that e-commerce activities align with Islamic principles. In Malaysia, the Malaysian Digital Economy Corporation (MDEC) and Shariah Advisory Council have collaborated to provide guidelines for Shariah-compliant e-commerce (Nordin & Rahman, 2021). These guidelines cover various aspects, such as contract transparency, *riba* (usury) prohibition, and avoiding *gharar* (excessive uncertainty). Similarly, Indonesia's National Sharia Board (DSN-MUI) has issued fatwas and guidelines to ensure e-commerce transactions comply with Islamic law (Aziz & Hanifah, 2020).

However, the application and understanding of these Islamic principles in e-commerce varies among consumers and producers. While some businesses and consumers strictly adhere to these guidelines, others may need more awareness or understanding of the specific requirements for Shariah compliance. This variability can lead to inconsistency in how e-commerce is practiced and perceived within the market (Alam & Yasin, 2010; Mustofa et al., 2023). For example, issues such as unclear terms of service, non-compliant payment methods, and the sale of non-halal products can undermine consumer confidence and trust in e-commerce platforms (Nordin & Rahman, 2021). Despite these challenges, both Malaysia and Indonesia continue to make strides in promoting Shariah-compliant e-commerce. Educational programs and workshops are being implemented to increase consumer and producer awareness and understanding of *fiqh muamalah* principles. Technological innovations like blockchain are also explored to enhance transparency and trust in e-commerce transactions (Ibrahim & Sulaiman, 2020). Overall, the continued development of Shariah-compliant e-commerce frameworks in Malaysia and Indonesia demonstrates a commitment to integrating Islamic principles with modern digital commerce, ensuring that the benefits of e-commerce are realized in a manner consistent with Islamic values.

The emergence of various digital applications as payment tools marks a significant indicator of the financial sector's development in the era of the digital economy. It's not surprising that society has begun to develop and use digital applications related to economic systems, leading to the frequent discussion of financial technology or fintech among digital economy players. The digital economy has grown and evolved over the current period due to its increasing globalization (L. E. Nasution & Padli, 2023). According to Musafaki, in Alfiani Munawwar's research, the digital economy is based on electronic products and services produced by electronic companies and traded through electronic commerce. These companies have electronic production and management processes and interact with partners and customers, conducting transactions through the Internet and network technology (Alfiani Munawwarah et al., 2022). While Hinting, as stated by Nila Dwi Aprilia's, the digital economy is a business conducted through virtual media, creating and exchanging value, transactions, and mature relationships among economic actors using the Internet as a medium of exchange. The digital economy becomes an economic aspect based on utilizing and empowering digital information and communication technology. Digital users, such as the public and entrepreneurial actors, play a significant role in this digital economy. Tapscott, cited by Dewi Sartika Nasution et al., stated that there are twelve crucial characteristics of the digital economy that managers should understand and be aware of: Knowledge, Digitization, Virtualization,

Molecularization, Internetworking, Disintermediation, Convergence, Innovation, Presumption, Immediacy, Globalization, and Discordance (D. S. Nasution, 2019).

Furthermore, Malaysia and Indonesia's cultural and religious diversity adds another layer of complexity to Islamic e-commerce practices. While Islam is the predominant religion in both countries, there are also significant minority populations with different religious beliefs. This diversity influences consumer preferences and purchasing behaviours, particularly halal products, and services. Therefore, ensuring inclusivity and catering to the needs of all consumer segments is essential for the success of the Shariah-compliant e-commerce platform (Abdul Rahman & Yusof, 2023). Despite the challenges and complexities, the potential benefits of Islamic e-commerce in Malaysia and Indonesia are vast. Beyond economic growth, Shariah-compliant e-commerce can foster social cohesion and ethical business practices grounded in Islamic values. By promoting fairness, transparency, and accountability in commercial transactions, Islamic e-commerce contributes to the broader goal of sustainable and ethical business practices in the digital age. Therefore, continued collaboration between governments, businesses, religious scholars, and consumers is essential to develop further and promote Islamic e-commerce in Malaysia and Indonesia, ensuring its alignment with religious principles and modern business practices.

Understanding and Behavior of Producers and Consumers

Research on economic behavior in the digital world (development of Islamic jurisprudence in transactions in the digital era) has been conducted by various researchers, including Shamim et al., who studied how social media influencers induce the urge to buy impulsively in a social commerce context. Based on signaling theory, this study investigates the impact of Fashion Influencers (FIs) on consumers' impulsive buying (UBI) in social commerce. It focuses on key factors contributing to trust in FIs' branded posts and how persuasion knowledge moderates the trust-UBI relationship. Using PLS-SEM on 452 Pakistani social media users' responses, it was found that trust in FI's posts positively affects UBI. Influencer Credibility (IC), Message Credibility (MC), and Media Credibility (MeC) are significant factors contributing to trust. Persuasion knowledge moderates the trust-UBI relationship, with trust in FI's posts mediating the connection between IC, MC, MeC, and UBI. These findings contribute to the literature and offer valuable insights for fashion marketers to build trust-centric relationships with followers, ultimately boosting UBI in social commerce (Shamim et al., 2024).

Chen et al. (2023) researched product uncertainty in live-streaming e-commerce from a signal consistency perspective. Drawing from signaling theory and uncertainty literature, they found consistent signals can decrease product uncertainty, enhancing consumers' purchase intentions. With a sample of 338 live shoppers, they discovered that anchor-product fit, live content-product fit, and content-product fit negatively impact product quality uncertainty and product fit uncertainty. Self-product fit negatively affects both product quality uncertainty and product fit uncertainty. Product quality uncertainty positively influences product fit uncertainty, and all three uncertainties significantly negatively impact purchase intention. Further analysis suggests that combining four signal consistency cues and two product uncertainties in three causal configurations can lead to high purchase intention. This research contributes to the existing body of knowledge and offers valuable guidance for e-commerce live-streaming sellers and platforms to make strategic decisions.

Another study by Dian Sudiantini et al. (2023), entitled "Digital Transformation: Impact, Challenges, and Opportunities for the Growth of Digital Economy", found that in the era of globalization and digitalization, the digital economic transformation has become an increasingly crucial phenomenon affecting almost every aspect of life. On the one hand, digital economic transformation can positively impact global economic growth, enabling business innovations and enhancing international collaboration. On the other hand, it presents challenges that need to be addressed, such as regulatory issues, insufficient skills and public awareness, and inadequate technological infrastructure.

On the other hand, Mersi Hayati et al. (2024) stated that Islamic jurisprudence of transactions has evolved in line with technological advances in electronic transactions. The development of Islamic law in the modern era reflects the efforts of scholars and academics to interpret Islamic values so they can be

applicable and relevant in new environments. The evolution of Islamic law in financial transactions, particularly with the emergence of contemporary financial instruments, requires comprehensive research to ensure that these changes align with Islamic values and principles of justice. Islamic jurisprudence plays a crucial role in facing new challenges in economics and finance. Responses to such changes, such as Islamic banking, Islamic insurance, and technology-based financial transactions, reflect efforts to ensure that Islamic principles remain firmly upheld in an ever-changing environment (Atsar & Izuddin, 2019). Individual rights protection, social justice, and environmental concerns become the primary focus in addressing these new challenges. The reformulation of Islamic jurisprudence of transactions means reinvigorating it to adapt to modern life, allowing the study of Islamic jurisprudence to evolve. To achieve this, various tools and disciplines of Islamic jurisprudence and moral principles are required to ensure that Islamic jurisprudence is formulated by Islamic law and within its framework.

E-commerce behavior has also been a critical and significant issue in the development of *fiqh muamalah*. Suhroji Adha, for example, in his research entitled "Factors of Consumer Behavior Revolution in the Digital Era: A Literature Review", found that consumer attitudes towards marketing have changed due to the digital revolution. How consumers search, pay, use, and dispose of products they have purchased after using them reflects changes in consumer behavior. Media consumption habits have also greatly changed, forcing marketers to develop new strategies and find ways to improve customer attraction. In digital marketing, today's consumers tend to demand more than they desire in traditional marketing. Information technology is rapidly advancing, constantly providing them with information. Customers sometimes have more knowledge than marketers due to its abundance. Because of this, customers lose trust in the messages marketers use to promote their products (Adha, 2022). On the other point of view, Irma Rumtaning et al., using the prophetic Hadiths approach in their study, stated that digitalization in the goods and services exchange model has greatly facilitated humans in obtaining all their living needs quickly and cheaply. The emergence of digital technology is indeed something to be grateful for and welcomed. However, it is crucial to recognize the negative impacts of the rise of digital technology. Hedonistic tendencies and excessive indulgence in consumption accompany the ease of shopping in the current digital era.

Method

This research adopts a qualitative approach to address the research questions comprehensively. By focusing on qualitative data collection and analysis, the study aims to explore e-commerce practices through the lens of *fiqh muamalah* and the principles of justice and *maslahah*. Research process stages: first, the research begins with an extensive literature review to gather existing knowledge on economic behavior in the digital world, particularly the development of *fiqh muamalah* in the digital era. This review includes theories, concepts, and expert opinions in digital business and Islamic economic law. Second, qualitative data was collected through observations, in-depth interviews, and focus group discussions (FGDs) with consumers and producers of Muslim fashion products in Indonesia and Malaysia. These methods aimed to explore the impact of consumer and producer understanding and behaviour on e-commerce practices. The data was collected online using Google Forms, with survey links shared through social media channels such as Facebook, Instagram, and WhatsApp. A snowball sampling method was employed, targeting individuals aged 17 to 40 years and above, as this age group is most active on social media. Third, the qualitative data was analysed using thematic analysis to identify key themes and insights related to understanding and applying *fiqh muamalah* principles. This approach allowed for a detailed examination of the challenges and opportunities in applying these principles to ensure justice and *maslahah* in the digital marketplace. By employing a qualitative methodology, this research aims to provide valuable insights into how justice and *maslahah* can be realised in e-commerce practices in Malaysia and Indonesia. The findings will contribute to developing a fair and ethical digital economy, aligning with the principles of *fiqh muamalah*.

Results and Discussion

Life Insights from Indonesia and Malaysia on Understanding and Application of *Fiqh Muamalah* Principles in E-Commerce

Integrating *Fiqh Muamalah* principles into e-commerce practices to ensure justice and *maslahah* presents a combination of challenges and opportunities, particularly in Malaysia and Indonesia. Demographic data and survey responses compiled on a Likert scale show that 70% of respondents were between the ages of 17 and 40 years or older, with the majority coming from various occupational backgrounds.

Table 1. Demographic Profile of E-Commerce Users

No	Age Group	Percentage	Number of Participants	No	Occupational Backgrounds	Percentage	Number of Participants
1	17-25	40%	80	1	Students	25%	50
2	26-30	25%	50	2	Professionals	30%	60
3	31-40	15%	30	3	Entrepreneurs	20%	40
4	41 and older	20%	40	4	Others	25%	50
Total		100%	200	Total		100%	200

Source: Author, 2024

The survey comprised 200 participants, offering a diverse perspective on e-commerce users in Malaysia and Indonesia. In terms of age distribution, 40% (80 participants) are between 17 and 25 years old, reflecting a strong engagement among younger individuals who are generally more familiar with digital platforms. The 26-30 age group accounts for 25% (50 participants), indicating significant participation from young professionals who value the convenience of online shopping. Participants aged 31-40 make up 15% (30 participants), suggesting that adults with potentially busy schedules also engage in e-commerce. The 41 and older age group constitutes 20% (40 participants), demonstrating that older individuals are increasingly involved in online shopping. Regarding occupational backgrounds, 25% (50 participants) are students, indicating that this group actively uses e-commerce, likely due to its affordability and accessibility. Professionals represent 30% (60 participants), reflecting a preference for the efficiency and convenience of online shopping. Entrepreneurs account for 20% (40 participants), likely utilizing e-commerce for business purposes. The remaining 25% (50 participants) fall into other job categories, highlighting the broad range of occupations involved in online shopping. This diverse demographic underscores the need for e-commerce platforms to cater to various user needs and preferences, ensuring a user-friendly experience for all segments.

This reflects the demographic diversity of e-commerce users in these countries, indicating that various age groups and job types are interested in online shopping. E-commerce platforms can thus reach diverse market segments, which is crucial for an inclusive marketing strategy. Respondents' online shopping duration varied, with 65% reporting spending more than one hour per week shopping online, highlighting the importance of a good user experience and easy navigation to maintain consumer interest.

Table 2. Online Shopping Duration

No	Duration per Week	Percentage	Number of Participants
1	Less than 1 hour	30%	60
2	1-2 hours	35%	70
3	2-3 hours	20%	40
4	More than 3 hours	15%	30
Total		100%	200

Source: Authors, 2024

One primary issue is more physical interaction between buyers and sellers. Traditional commerce relies heavily on face-to-face transactions, which allow for immediate clarification of terms and conditions. In contrast, e-commerce transactions are conducted remotely, often with limited direct communication, leading to misunderstandings and disputes. This challenge is exacerbated when considering cash-on-delivery (COD) transactions, which add another layer of complexity. COD transactions, while convenient for consumers wary of online payments, can lead to issues of trust and accountability between buyers and sellers, as the product exchange and payment occur simultaneously at the point of delivery (Mahran & Sebyar, 2023). This method can only be problematic if the delivered product meets the buyer's expectations or if the seller receives payment as agreed. Reliance on electronic communications presents another challenge. Traditional *fiqh muamalah* emphasises the importance of clear and transparent communication in commercial transactions to prevent ambiguity and deceit. However, in e-commerce, communication is typically mediated through digital interfaces, which can sometimes obscure or simplify complex contractual terms, potentially leading to issues of *gharar* (excessive uncertainty). Digital authentication is also a critical issue in the context of e-commerce. In traditional commerce, physical signatures and tangible contracts help to verify the authenticity and legitimacy of transactions. However, e-commerce relies on digital signatures and electronic records, which, while convenient, can be more susceptible to fraud and cybercrime. Ensuring the integrity and security of these digital authentication methods is crucial for maintaining trust in e-commerce transactions.

On the purchasing decision scale, 60% of respondents agree that developing consumer loyalty and product quality influences purchasing decisions. This suggests that factors such as brand trust and product quality play an important role in consumer decision-making. Marketers must focus on increasing consumer loyalty and ensuring the products offered are of high quality to attract and retain customers. These results also show that 75% of respondents agree or strongly agree that consumer trust in brands and brand ambassadors strongly correlates with purchasing decisions (Prastyanti & Sharma, 2024). Consumers who trust a brand are likelier to repeat purchases and recommend the product to others. Therefore, building and maintaining consumer trust should be a top priority for e-commerce companies (Prastyanti & Sharma, 2024). When reviewed further, the product quality assessment shows an increasingly strong positive correlation with consumer trust in the brand, with 80% of respondents stating that good product quality increases their trust in the brand. High-quality products meet consumer expectations and increase positive perceptions of the brand as a whole. This shows that investing in product quality is an effective strategy for building a strong brand reputation.

The fast-paced and global nature of e-commerce poses challenges when applying for *fiqh muamalah*. Islamic jurisprudence traditionally involves detailed and context-specific rulings, which can take time to adapt quickly to the ever-evolving digital marketplace. The rapid development of new business models and technologies in e-commerce requires continuous scholarly engagement to ensure that *fiqh muamalah* principles are appropriately applied. Using digital currencies and electronic payments in e-commerce also raises significant concerns. *fiqh muamalah* prohibits *riba* (usury) and emphasises the need for fair and transparent financial transactions. Integrating digital payment methods, such as credit cards and cryptocurrencies, into e-commerce platforms requires careful examination to ensure they do not involve usury or other prohibited elements (Naisabur et al., 2024). Moreover, the issue of product and service verification is more complex in e-commerce. Traditional commerce allows buyers to physically inspect goods before purchasing, ensuring that they meet the expected standards and quality. In contrast, e-commerce transactions often involve buying goods based on digital descriptions and images, which can sometimes be misleading (Hafid et al., 2024; Jafar, 2019). This can raise concerns about the permissibility of transactions under Islamic law if they result in significant *gharar*.

Regarding perceptions of brand ambassadors, 68% of respondents tend to give higher ratings to brands with brand ambassadors who are viewed positively. Effective brand ambassadors can improve brand image and attract consumer attention. Therefore, selecting the right brand ambassadors and ensuring they align with brand values is an important strategy to strengthen branding. The results of the

analysis show that negative perceptions of brand ambassadors tend to correlate with lower purchasing decisions, with 55% of respondents stating that they are less likely to purchase from brands with brand ambassadors they dislike. This suggests that brand ambassadors that consumers dislike or do not trust can harm the brand and reduce consumers' purchase intentions. Therefore, it is important for companies to carefully evaluate and select brand ambassadors who can strengthen, not damage, the brand image.

Jurisdictional issues also complicate the application of *fiqh muamalah* to e-commerce. Online transactions often cross national borders, subjecting them to multiple legal and regulatory frameworks. This can create conflicts between Shariah principles and local laws, requiring careful navigation to ensure compliance with both. Consumer protection is another critical area. Traditional *fiqh muamalah* emphasizes the protection of consumer rights and the ethical treatment of all parties in a transaction. Ensuring that e-commerce platforms uphold these values in their business practices can be challenging, particularly in the absence of strong regulatory oversight. Data privacy and security concerns are also paramount. E-commerce platforms collect and store vast amounts of personal data, which must be protected to prevent misuse and ensure compliance with Islamic ethical standards. Maintaining data integrity and preventing breaches are essential to uphold trust and protect consumer rights. Finally, the rapid pace of technological innovation presents both opportunities and challenges for integrating *fiqh muamalah* into e-commerce. While new technologies can facilitate compliance and enhance transparency, they also require constant updates to legal and regulatory frameworks to keep pace with the changes. This necessitates ongoing collaboration between scholars, regulators, and industry stakeholders.

In contrast, 72% of respondents stated that positive perceptions of brand ambassadors correlated with higher purchasing decisions. This confirms that brand ambassadors liked and respected by consumers can significantly increase sales and brand loyalty. Thus, companies should consider investing in campaigns that highlight reputable brand ambassadors and can strengthen relationships with consumers. These findings demonstrate the important role of brand ambassadors in influencing consumer purchasing behavior. Brand ambassadors serve as the product's face and as a link between the brand and consumers. An effective strategy should include brand ambassadors who can build trust and provide added value to consumers. The analysis also revealed that 64% of respondents agreed that good product quality contributes to their purchasing decisions. High-quality products attract consumers, encourage them to repeat purchases, and recommend the product to others. Therefore, maintaining product quality is key to customer satisfaction and business growth. The correlation between perceptions of product quality and consumer trust in brands shows a significant positive relationship, with 85% of respondents stating that they have more trust in brands that offer high-quality products. This means that high-quality products can increase consumer trust in the brand, increasing customer loyalty and retention. Companies must ensure that every product they offer meets high standards to build long-term customer relationships. Data shows that 78% of respondents have a high level of trust in the brands they trust, positively correlated with higher purchasing decisions. Consumers with a high level of trust in a brand are more likely to purchase, indicating that building trust is an important component of marketing strategy. Companies must focus on transparency, reliability, and integrity in their consumer interactions to build strong trust.

Education and awareness play a crucial role in enhancing the integration of *fiqh muamalah* in e-commerce. Increasing the knowledge and understanding of Islamic commercial principles among consumers and producers can help ensure that transactions are conducted consistently with Shariah law. Educational programs and workshops can be developed to inform stakeholders about the principles of *Fiqh Muamalah* and how they apply to digital commerce (Shah & Susilo, 2022). Strengthening regulatory frameworks is another key opportunity. Governments and regulatory bodies can develop and enforce guidelines that support Shariah-compliant e-commerce. This can include creating certification systems for platforms and businesses that adhere to Islamic principles, providing consumers assurance, and building trust in the marketplace. Developing technological solutions can also facilitate compliance with *Fiqh Muamalah*. Digital tools and platforms can be designed to ensure transparency, fairness, and security in e-commerce transactions (Wibowo & Sebyar, 2024). For example, blockchain technology can provide

immutable records of transactions, enhancing trust and reducing the potential for fraud. Similarly, smart contracts can automate compliance with Shariah principles, ensuring that all terms and conditions are met before a transaction is completed.

Enhancing collaboration between scholars and industry stakeholders can help address the challenges of applying *fiqh muamalah* to e-commerce (Nofrizal et al., 2023). Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape (Kertati et al., 2023). Promoting ethical business practices is essential for aligning e-commerce with *fiqh muamalah*. Companies can adopt and promote ethical standards that reflect Islamic values, such as honesty, fairness, and transparency. This can help build consumer trust and loyalty, ultimately benefiting businesses and the broader e-commerce ecosystem. Supporting research and development in the field of Islamic e-commerce can also drive improvements. Investing in research can provide valuable insights into consumer behavior, market trends, and the effectiveness of different

Challenges and Opportunities in Ensuring Justice and *Maslahah* in E-Commerce

Integrating *fiqh muamalah* principles into e-commerce practices poses several opportunities for achieving justice and *maslahah*. One significant challenge is the lack of standardized guidelines. Both consumers and producers often face difficulties interpreting and consistently applying *fiqh muamalah* principles, largely due to the absence of clear, standardized guidelines. This inconsistency can lead to confusion and non-compliance, undermining the principles of fairness and transparency central to *fiqh muamalah*. *Fiqh muamalah* is a branch of Islamic jurisprudence that deals with the laws governing human interactions in social, economic, and business transactions (Marwan et al., 2022). The term "*muamalah*" refers to the relationships between individuals or groups in the context of trade, finance, agreements, and other transactions and obligations. Theories and principles underlying *fiqh muamalah* include several key principles such as justice, kindness, public interest, piety, customs, trust, agreement, halal and haram, tolerance, and fulfillment of obligations (Rafi et al., 2021).

Ethical dilemmas also arise from the competitive nature of the digital marketplace (Alfiani Munawarah et al., 2022). Producers and consumers are frequently confronted with situations where maintaining principles of fairness and transparency is challenging. The pressure to compete can sometimes result in practices that conflict with the ethical standards outlined in *fiqh muamalah*, such as engaging in deceptive advertising or unfair pricing strategies. The varying interpretations of *Fiqh Muamalah* principles compound these ethical dilemmas. Differences in cultural and legal contexts, particularly in cross-border transactions, complicate their application. What is considered compliant in one jurisdiction may not be viewed similarly in another, leading to inconsistencies and potential disputes.

Principles in *fiqh muamalah* include *al-'Adl wa al-Ihsan* (Justice and Kindness), emphasizing the importance of justice and honesty in every transaction, and *maslahah* (Public Interest), which stresses the need to consider public interest in every interaction (Rizal & Soemitra, 2022). The principle of *al-Taqwa* (Piety) underscores the importance of piety to Allah in every aspect of life, including *muamalah*. The principle of *al-'Urf* (customs) recognizes the importance of customs in determining *muamalah* laws, allowing flexibility in applying laws to meet society's needs (Karimuddin et al., 2024). Despite these challenges, there are significant opportunities to enhance the application of *fiqh muamalah* principles in e-commerce. Education and training represent a crucial opportunity (R. F. Hayati et al., 2023). The gap between understanding and practice can be bridged by providing comprehensive training programs for both consumers and producers. These programs can ensure that stakeholders are well-informed about the principles of *fiqh muamalah* and how to apply them consistently in their transactions. Enhanced education can lead to a more uniform application of these principles, fostering a fairer and more transparent digital marketplace. Policymakers also have the opportunity to develop regulatory frameworks that support the integration of *fiqh muamalah* principles in e-commerce (Shah & Susilo, 2022). Such frameworks can provide clear guidelines and standards, helping to ensure that digital transactions are conducted ethically and in

alignment with Islamic values (Muslimin & Kharis, 2020). By establishing regulatory oversight, policymakers can address the inconsistencies and ethical dilemmas that currently challenge the application of *fiqh muamalah* in e-commerce. These frameworks can also facilitate international trade by providing a common standard for cross-border transactions, reducing the complexity and potential for disputes.

Technological innovations offer another significant opportunity. Advancements such as blockchain technology can be crucial in ensuring compliance with *fiqh muamalah* principles (Benner, 2009). Blockchain can enhance transparency and accountability in digital transactions by providing an immutable record of all transactions. This aligns with the principles of justice and *maslahah* by ensuring that all parties have access to clear and reliable information about the terms and conditions of their transactions (Baregheh et al., 2009). Additionally, smart contracts can automate compliance with *fiqh muamalah* principles, ensuring that all terms and conditions are met before a transaction is completed. This can reduce the potential for disputes and enhance trust among consumers and producers.

On the other hand, the *al-amanah* (trust) principle emphasizes the importance of maintaining trust in every transaction and social interaction, including integrity and honesty in dealings with others. The principle of *al-'izam* (agreement) stresses the importance of mutual agreement between parties involved in *muamalah* transactions, which must be conducted voluntarily without coercion. The principle of halal and haram determines the validity or invalidity of an action or transaction based on Islamic law, while the *al-tasamuh* (tolerance) principle encourages mutual respect and acceptance of differences in transactions and social interactions. In conclusion, while there are notable challenges in integrating *fiqh muamalah* principles into e-commerce practices, there are also significant opportunities to address these challenges and enhance the application of these principles. Through comprehensive education and training, the development of regulatory frameworks, and leveraging technological innovations, stakeholders can work towards a more ethical, fair, and transparent digital marketplace that aligns with the principles of justice and *maslahah*.

Exploring these opportunities necessitates collaborative efforts among various stakeholders (Muhammad, 2020). Scholars of Islamic jurisprudence, regulatory bodies (Kustiawan et al., 2023), industry leaders, and technology developers must work together to develop and implement solutions that facilitate the integration of *fiqh muamalah* principles in e-commerce. One of the most critical focus areas should be enhancing consumer protection. E-commerce platforms must prioritize safeguarding the rights and interests of consumers, ensuring that they are not subjected to unfair practices (Hafid et al., 2024). This includes implementing robust mechanisms for dispute resolution and providing transparent information about products and services. By adopting such measures, e-commerce platforms can uphold the values of honesty and fairness central to *fiqh muamalah*. The *al-wafa* principle (fulfillment) demands honesty and full compliance with obligations in *muamalah*, emphasizing the importance of maintaining commitments and fulfilling obligations in transactions and social interactions (Mubarroq & Latifah, 2023). By understanding and implementing these principles, Muslims can create a just, ethical, and equitable society in the economic and social context, supporting e-commerce transactions more aligned with Islamic values.

Furthermore, there is an opportunity to foster greater awareness and understanding of *fiqh muamalah* principles through public awareness campaigns. These campaigns can educate consumers and producers about the ethical standards and practices required by Islamic commercial law, encouraging them to adopt these practices in their daily transactions. Public awareness efforts can also highlight the benefits of adhering to *fiqh muamalah* principles, such as increased consumer trust and loyalty, which can ultimately drive business growth. The role of technology in supporting *fiqh muamalah* compliance cannot be overstated (Hadiyati, 2011; Ruhtiani et al., 2024). Emerging technologies, such as artificial intelligence and machine learning, can be leveraged to develop intelligent systems that monitor transactions for compliance with ethical standards. For instance, AI-powered algorithms can detect and flag potentially unethical practices, such as deceptive marketing or price manipulation, allowing for timely intervention and correction (Stahl, 2023).

With its inherent transparency and security features, blockchain technology presents a particularly promising opportunity. By using blockchain, e-commerce platforms can create a decentralized and

tamper-proof record of transactions, ensuring that all parties have access to verifiable and accurate information (R. F. Hayati et al., 2023). This transparency can significantly reduce the risk of fraud and enhance trust among users. Additionally, blockchain-based smart contracts can automate the enforcement of contractual terms, ensuring that all parties adhere to agreed-upon conditions without intermediaries (Khan, 2015). Another important aspect to consider is the globalization of e-commerce and its impact on *fiqh muamalah* application. As e-commerce transcends national borders, it becomes essential to establish internationally recognized standards for Shariah-compliant transactions. This can be achieved through international cooperation and the harmonization of regulatory frameworks. By working together, countries can create a cohesive and supportive environment for Islamic e-commerce, facilitating cross-border trade and ensuring that *fiqh muamalah* principles are upheld globally.

Investment in research and development is also crucial for advancing the integration of *fiqh muamalah* in e-commerce (O'Connell et al., 2022). Continuous research can provide valuable insights into emerging trends, consumer behaviors, and the effectiveness of various compliance strategies. This knowledge can inform policy-making and guide the development of innovative solutions that address the unique challenges of the digital marketplace. In addition to regulatory and technological advancements, fostering a culture of ethical business practices is vital. E-commerce companies should adopt corporate social responsibility (CSR) initiatives that align with Islamic values, such as promoting ethical sourcing, supporting community development, and ensuring fair labor practices. Companies can build stronger consumer relationships and contribute to a more just and equitable marketplace by demonstrating a commitment to ethical standards.

Collaboration between scholars and industry stakeholders is essential for addressing the challenges of applying *fiqh muamalah* to e-commerce. Scholars can provide ongoing guidance and rulings on new developments in digital commerce, while industry stakeholders can share practical insights and feedback to inform scholars' work. This collaboration can ensure that Islamic jurisprudence remains relevant and applicable in the rapidly changing digital landscape. Integrating *fiqh muamalah* principles in e-commerce practices presents both challenges and opportunities. Addressing these challenges through education, regulatory frameworks, technological innovations, and collaborative efforts will make creating a more ethical and sustainable digital marketplace that aligns with the principles of justice and *maṣlahah* possible. This integration benefits consumers and producers in Malaysia and Indonesia and sets a precedent for Shariah-compliant e-commerce practices globally.

Conclusion

This research concludes that applying Islamic perspectives, specifically *fiqh muamalah* principles, in e-commerce transactions in Malaysia and Indonesia reveals both progress and significant challenges. The study investigated how consumers and producers in these countries understand and implement these principles to achieve justice and *maṣlahah*. It was found that while there is a growing recognition of the need for ethical practices guided by *al-'adl* (justice) and *al-maṣlahah* (public welfare), the practical application of these principles often encounters difficulties. Consumers increasingly prioritize transparency and fairness, reflecting a strong inclination towards ethical considerations. However, producers face the dual challenge of maintaining Islamic values amidst intense market competition. This research identifies key opportunities to integrate *fiqh muamalah* principles into e-commerce practices better. These include enhancing stakeholder education and training, developing supportive regulatory frameworks, and leveraging technological innovations such as blockchain and smart contracts. Such measures can significantly improve transparency, accountability, and trust within the e-commerce environment. Additionally, the research underscores the importance of international collaboration to establish universally recognized standards for Shariah-compliant e-commerce. Given the global nature of digital commerce, a cohesive approach to regulatory frameworks is essential to ensure justice and *maṣlahah* on an international level. Continuous investment in research and development is necessary to adapt to evolving trends and refine compliance strategies. Promoting a culture of ethical business practices

consistent with Islamic values will strengthen the commitment to a fair and equitable marketplace. To achieve these objectives, a concerted effort from scholars, industry leaders, and technology developers is crucial in addressing existing challenges and progressing toward a more ethical and transparent e-commerce environment, thereby setting a global benchmark for Shariah-compliant practices..

Conflict of Interest

The authors declared no conflicts of interest.

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