

# Assessing The Regulation of TikTok Shop by The Minister of Trade Through Maqashid Syariah

Muhammad Rifky Pratama, Fatimah Piracha Institut Agama Islam Tazkia, York St John University 2010102004.rifky@student.tazkia.ac.id, fipiracha@gmail.com

### Abstract

Integrating social media platforms in commercial activities introduces complex challenges, particularly in consumer protection, economic justice, and alignment with ethical and legal standards. This study aims to analyze the Minister of Trade's regulation on TikTok Shop through the lens of *Maqashid Syariah* to assess its compatibility with Islamic moral values and legal principles. Adopting a qualitative research methodology utilizes a formal literature review and content analysis to examine the relevant provisions of the regulation. The findings indicate that current laws governing online commerce require further adaptation to better align with the principles of Maqashid Syariah, ensuring fairness, sustainability, and societal welfare in digital transactions. This research contributes to the ongoing discourse on strengthening the regulatory framework for online commerce, promoting ethical standards, and fostering a more equitable and sustainable business environment. The study also offers a foundation for policy development that supports the growth of online commerce in a manner that benefits all stakeholders while adhering to Islamic principles of justice and public welfare.

## Keywords: E-Commerce, TikTok Shop, regulation, Maqashid Syariah.

Mu'amalah : Jurnal Hukum Ekonomi Syariah Website : http://e-journal.metrouniv.ac.id/index.php/muamalah/index

Received : 2024-01-06 Reviewed : 2024-07-23 Published : 2024-11-11.

DOI: https://doi.org/10.32332/muamalah.v3i2.9309

**Commons** Attribution-ShareAlike 4.0 International License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

#### Introduction

In today's digital era, online commerce has become a central aspect of daily life, offering consumers and businesses significant opportunities. Among the platforms that have gained substantial attention is TikTok Shop, which leverages its vast user base and interactive features to market and sell products.<sup>1</sup> However, with its rapid growth come concerns regarding the regulatory framework governing this form of commerce,<sup>2</sup> particularly related to consumer protection,<sup>3</sup> economic justice, and alignment with moral and legal values.<sup>4</sup>

Current regulatory frameworks like the Minister of Trade's TikTok Shop regulation have been implemented to safeguard market integrity and consumer interests.<sup>5</sup> However, there is an ongoing debate within the academic and policy spheres about whether these regulations effectively align with the ethical and legal principles outlined by *Maqashid Syariah*.

Some scholars argue that modern commercial regulations overlook Islamic ethical imperatives,<sup>6</sup> while others highlight the potential for a framework that balances innovation with moral accountability. This research addresses this gap by critically examining the Minister of Trade's regulation from the perspective of *Maqashid Syariah*, seeking to determine its alignment with the objectives of Islamic law, particularly in safeguarding public welfare and promoting justice in commerce.<sup>7</sup>

This study aims to provide new insights into the compatibility of Indonesian trade regulations with Islamic principles, mainly focusing on protecting wealth (*hifdz al-mal*) in online transactions. Given the scarcity of research in this area, this paper will contribute to the growing body of knowledge by offering a unique perspective on how digital commerce can be regulated to uphold Islamic moral and legal values.<sup>8</sup>

By analyzing the regulation through the lens of *Maqashid Syariah*, this research seeks to identify areas where the regulation can be strengthened to better align with Islamic ethical principles. The study will also propose practical recommendations to enhance the current framework, ensuring that online commerce remains equitable, sustainable, and compliant with Islamic law.

In the following sections, this paper will discuss the rapid rise of TikTok Shop as a platform for online commerce, the importance of *Maqashid Syariah* in contemporary

<sup>5</sup> Darvin, "TikTok and the Translingual Practices of Filipino Domestic Workers in Hong Kong."

<sup>&</sup>lt;sup>1</sup> Aparajita Bhandari and Sara Bimo, "Why's Everyone on TikTok Now? The Algorithmized Self and the Future of Self-Making on Social Media," *Social Media and Society* 8, no. 1 (March 2022), https://doi.org/10.1177/20563051221086241.

<sup>&</sup>lt;sup>2</sup> Kristen Barta and Nazanin Andalibi, "Constructing Authenticity on TikTok: Social Norms and Social Support on the 'Fun' Platform," *Proceedings of the ACM on Human-Computer Interaction* 5, no. CSCW2 (October 2021), https://doi.org/10.1145/3479574.

<sup>&</sup>lt;sup>3</sup> Ron Darvin, "TikTok and the Translingual Practices of Filipino Domestic Workers in Hong Kong," *Discourse, Context & Media* 50 (December 1, 2022): 100655, https://doi.org/10.1016/j.dcm.2022.100655. <sup>4</sup> Zinda Rud Faiza Nur et al., "TikTok Shop: Unveiling the Evolution from Social Media to Social Commerce and Its Computational Impact on Digital Marketing," *Journal of Computer Science and Engineering (JCSE)* 4, no. 2 (November 2023): 88–96, https://doi.org/10.36596/JCSE.V4I2.512.

<sup>&</sup>lt;sup>6</sup> Andrian Harmoko and Diana Ambarwati, "Digital Islamic Business Ethics: Video Unboxing as a Khiyar Mechanism in Online Buying and Selling Transactions," *International Journal of Islamic Economics* 4, no. 02 (December 5, 2022): 137–47, https://doi.org/10.32332/ijie.v4i02.5788.

<sup>&</sup>lt;sup>7</sup> Yixin Zhang, "The Research of How the Marketing Strategy of Tiktok Result in the New Rise of E-Commerce," *Advances in Economics, Management and Political Sciences* 31, no. 1 (2023): 83–89, https://doi.org/10.54254/2754-1169/31/20231505.

<sup>&</sup>lt;sup>8</sup> Susan Singleton, "E-Commerce and Convergence: A Guide to the Law of Digital Media," *E-Commerce and Convergence: A Guide to the Law of Digital Media*, 2021, https://doi.org/10.5040/9781526512673.

economic systems, and the challenges in regulating digital commerce. The paper's research objectives, methodology, and structure will also be outlined to provide a clear roadmap for the reader.

*Maqashid Syariah* is a fundamental concept in Islamic legal thought that emphasizes that every rule and law stipulated in Sharia has a purpose and wisdom to realize benefits and avoid damage to humans. Al-Ayubi & Halawatuddu'a (2021) define *Maqashid Syariah* as "the purpose and wisdom that Shari' (Allah SWT) wants to achieve in establishing His laws for the benefit of His servants in this world and the hereafter."<sup>9</sup>

The idea of *Maqashid Syariah* has been alluded to by previous scholars, but this concept was later developed systematically by scholars such as Al-Syatibi and Ibn Ashur in medieval Islam. They emphasized the importance of understanding the purpose and wisdom behind every Islamic law to achieve benefit and avoid harm.

Al-Syatibi identified five main principles in *Maqashid Syariah*, known as *al-maqasid al-khamsah* (five main objectives), namely: (1) *Hifdz al-Din* (Preserving Religion), (2) *Hifdz al-Nafs* (Preserving Soul), (3) *Hifdz al-'Aql* (Preserving Intellect), (4) *Hifdz al-Nasl* (Preserving Progeny), and (5) *Hifdz al-Mal* (Preserving Property). These five principles become the foundation in determining and analyzing Islamic laws, with the ultimate goal of realizing benefits and preventing damage to humans in this world and the hereafter.

The principle of *hifdz al-mal* (safeguarding wealth) is very relevant in regulation and online buying and selling transactions. As discussed by Kartika and Tanjung (2022), the protection of property and ownership must be guaranteed in every transaction to be in line with *Maqashid Syariah*.<sup>10</sup> Meanwhile, Ishak Asni (2020) asserts, "Maqasid al-Shari'ah plays an important role in applying *fiqh muamalat* into modern Islamic banking in Malaysia."<sup>11</sup>

By understanding the concept, history, and principles of *Maqashid Syariah*, we can analyze the Minister of Trade's regulation on TikTok shops from a Maqasid Shariah perspective. It will help assess whether the regulation is in line with the objectives of Islamic law, especially in realizing benefits and preventing harm to society, especially in the aspects of property protection and online buying and selling transactions.

### Ministry of Trade Regulation on TikTok Shop

Given the popularity of TikTok Shop as an online sales channel integrated with the TikTok social media application, the Ministry of Trade issued special regulations to govern the operation of this e-commerce platform in Indonesia. As explained in the study by Dian Humairoh et al. (2023), "Regulation of the Minister of Trade Number 31 of 2023 regulates the prohibition of social-commerce on Tiktok Shop."<sup>12</sup> This regulation was issued against the background of protecting consumer interests, ensuring fair and responsible trade practices, accommodating the development of new business models in e-commerce, and creating a conducive investment environment.

<sup>&</sup>lt;sup>9</sup> Solahuddin Al-Ayubi and Siti Halawatuddu'a, "MAQASID AL-SHARIA IN ISLAMIC FINANCE," *Jurnal Al-Dustur* 4, no. 2 (December 1, 2021): 197–215, https://doi.org/10.30863/jad.v4i2.1823.

<sup>&</sup>lt;sup>10</sup> Sahnaz Kartika and Dhiauddin Tanjung, "SISTEM AKAD TRANSAKSI JUAL BELI ONLINE DROPSHIPPING PERSPEKTIF MAQASHID SYARI'AH," *HUMAN FALAH* 9 (2022).

<sup>&</sup>lt;sup>11</sup> Muhammad Shahrul Ifwat Ishak and Fathullah Asni, "The Role of Maqasid Al-Shari'ah in Applying Fiqh Muamalat into Modern Islamic Banking in Malaysia," *Journal of Islamic Accounting and Business Research* 11, no. 9 (December 6, 2020): 2137–54, https://doi.org/10.1108/JIABR-12-2019-0224.

<sup>&</sup>lt;sup>12</sup> Iftitah Dian Humairoh et al., "Problematika Normatif Dalam Peraturan Menteri Perdagangan Nomor 31 Tahun 2023 Terkait Larangan Social-Commerce Pada Tiktok Shop," *Jurnal Crepido*, vol. 05, 2023.

The Regulation of the Minister of Trade related to Tik Tok Shop covers several main aspects, including licensing and registration requirements, the obligation to provide clear and accurate product information, safe and transparent transaction and payment mechanisms, protection of user personal data, provisions for marketing and promoting products on social media, dispute resolution mechanisms for consumers, and regulation of the responsibilities of influencers or content creators who promote products. Hariyanto Wahyudi (2023) highlighted that "the government's policy on revoking TikTok Shop Indonesia's license has an important role in ensuring digital business ethics."<sup>13</sup>

With the issuance of this regulation, TikTok Shop and the business actors involved have a legal obligation to comply with the stipulated provisions. Regulation violations may be subject to administrative and criminal sanctions by applicable laws and regulations. As Muna & Santoso (2024) discussed, "Regulation of the TikTok Shop trading license as an additional feature of the TikTok application in Indonesia needs to be considered by applicable laws and regulations."<sup>14</sup>

The positive impacts expected from this regulation include increased consumer confidence in Tik Tok Shop, the creation of a business climate conducive to the growth of e-commerce, the protection of consumer rights, legal certainty for business actors, and the encouragement of innovation and the development of new business models in ecommerce by laws and regulations.

With this regulation, TikTok Shop operations are expected to run more regularly, safely, and responsibly to benefit consumers, business actors, and the economy in general. However, this regulation needs to be analyzed from a *Maqashid Syariah* perspective to ensure that it is in line with the objectives of Islamic law in achieving benefits and preventing harm.

### **Overview of TikTok Shop Economy and Business**

TikTok Shop is an e-commerce platform integrated with the TikTok social media application, carrying a unique and innovative business model. Wijoyo (2023) mentions, "The phenomenon of the TikTok Shop application has become a frugal shopping alternative for the community."<sup>15</sup> By combining aspects of social media and e-commerce, TikTok Shop allows TikTok users to sell their products or services through the video content they create. Influencers or content creators can also promote products through videos, helping to increase sales for TikTok Shop owners. This business model offers a new way of marketing and selling more interactive and engaging products for millennials and Gen Z.

As part of the growing digital economy ecosystem, TikTok Shop facilitates online buying and selling transactions and allows businesses, especially MSMEs, to reach a broader market. Nata Haryono (2022) highlights that "implementing a populist economy based on the digital economy can revive MSMEs during the COVID-19 pandemic." With

<sup>&</sup>lt;sup>13</sup> Sigit Hariyanto and Amin Wahyudi, "DIGITAL BUSINESS ETHICS THE ROLE OF GOVERNMENT POLICY ON TIKTOK SHOP INDONESIA LICENSE REVOCATION," Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah 8 (2023), https://doi.org/10.30651/jms.v8i4.20910.

<sup>&</sup>lt;sup>14</sup> Kholifatul Muna and Budi Santoso, "Regulasi Izin Perdagangan TikTok Shop Sebagai Fitur Tambahan Aplikasi TikTok Di Indonesia," *Jurnal USM Law Review* 7, no. 1 (March 9, 2024), https://doi.org/10.46773/djce.v1i2.329.

<sup>&</sup>lt;sup>15</sup> Sandy Gunarso Wijoyo, "Fenomena Aplikasi TikTok Shop Sebagai Alternatif Belanja Hemat" 2, no. 2 (2023): 109.

integration with social media, TikTok Shop also encourages creativity and innovation in digital product marketing.<sup>16</sup>

The platform offers new opportunities for MSMEs and entrepreneurs to market and sell their products effectively. Nurussofiah et al. (2022) stated that "the application of social media as an online marketing medium is important in the era of globalization."<sup>17</sup> With relatively low costs and a broad market reach, TikTok Shop enables small businesses to compete and grow. It also encourages new entrepreneurs, especially among the younger generation. Nevertheless, TikTok Shop faces challenges, such as intense competition with other e-commerce platforms, transaction security, personal data protection, and evolving regulations. On the other hand, Tik Tok Shop has a great opportunity with the growth of social media users and the increasing trend of online shopping, especially among the younger generation.

In analyzing the suitability of regulations with Maqasid Syariah principles, it is important to consider the economic and business aspects of TikTok Shop. Appropriate regulations can support the growth of the digital economy, protect the interests of businesses and consumers, and ensure fair and responsible business practices following Sharia principles.

#### Previous Literature Study on E-Commerce Regulation and Maqashid Syariah

Several previous studies have examined the topic of e-commerce regulation from the perspective of *Maqashid Syariah* or the objectives of Islamic Sharia. These studies provide valuable insights and serve as a foundation for further research in analyzing the suitability of TikTok Shop regulation with *Maqashid Syariah* principles.

One of the relevant studies is a study by Abror (2021) entitled "Implementation of Maqashid Sharia and Islamic Corporate Social Responsibility in Production Ethics."<sup>18</sup> In this study, Abror examined the implementation of *Maqashid Syariah* and Islamic corporate social responsibility in production ethics. The results of the study emphasized the importance of ensuring business practices are by *Maqashid Syariah* principles, such as transparency, justice, and benefit for the wider community.

Another interesting research is the study conducted by Widjaja et al. (2023) with the title "The Implementation of E-Commerce Consumer Option Rights (Khiyar) in Realizing Transaction Justice: A Study of Maqasid Al-Shariah."<sup>19</sup> This research analyzes the implementation of consumer option rights (khiyar) in e-commerce to realize transaction justice based on the *Maqashid Syariah* perspective. The research findings show that the fulfillment of khiyar rights in e-commerce still faces challenges, and regulations need to be regulated to ensure consumers' justice.

<sup>&</sup>lt;sup>16</sup> Mada Angga Dwi Nata and Haryono Haryono, "IMPLEMENTASI EKONOMI KERAKYATAN BERBASIS EKONOMI DIGITAL UNTUK MEMBANGKITKAN UMKM PADA MASA PANDEMI COVID 19," *PROMOSI (Jurnal Pendidikan Ekonomi)* 10, no. 1 (December 4, 2022), https://doi.org/http://dx.doi.org/10.24127/pro.v10i1.5410.

<sup>&</sup>lt;sup>17</sup> Febi Fatlika Nurussofiah et al., "PENERAPAN MEDIA SOSIAL SEBAGAI MEDIA PEMASARAN ONLINE DI ERA GLOBALISASI," *DEVELOPMENT: Journal of Community Engagement* 1, no. 2 (March 9, 2022): 92–108, https://doi.org/https://doi.org/10.46773/djce.v1i2.329.

<sup>&</sup>lt;sup>18</sup> Mursyidi Abror, "Implementation of Maqashid Sharia and Islamic Corporate Social Reponbility in Production Ethics," *IMKA Implementasi Manajemen & Kewirausahaan*, vol. 1, 2021.

<sup>&</sup>lt;sup>19</sup> Nurhajijah Zulfa, Nila Nur Millah, and Kartika Novitasari, "Konsep Maqashid Syariah Dalam Praktik Strategi Pemasaran Tiktok Dengan Landasan Etika Bisnis Islam," | *ANALYSIS : Accounting, Management, Economics, and Business* 2, no. 1 (2024), https://doi.org/10.56855/analysis.v2i1.928.

In addition, there is also research conducted by Zulfa et al. (2024) with the title "The Concept of Maqashid Syariah in TikTok Marketing Strategy Practices with the Foundation of Islamic Business Ethics."<sup>20</sup> This research uses the foundation of Islamic business ethics to examine the concept of Maqashid Syariah in the practice of marketing strategies in TikTok. The study results emphasize the importance of ensuring marketing strategies that align with the principles of Maqashid Sharia, such as honesty, justice, and avoiding elements of fraud or exploitation.

From the literature review above, it can be seen that research on e-commerce regulation and *Maqashid Syariah* is still limited and has the opportunity to be further developed. Previous studies have examined the implementation of *Maqashid Syariah* in aspects such as production ethics, consumer rights, and marketing strategies. However, research that specifically analyzes the regulation of TikTok Shop from the *Maqashid Syariah* perspective has not been conducted.

### Metode

This study will use a qualitative approach and formal literature observation to explore and analyze relevant information related to the Minister of Trade Regulation on TikTok Shop According to *Maqashid Syariah* Analysis. This methodology will involve written sources such as books, academic journals, official regulations (laws), conference papers, dissertations, theses, and research related to the Minister of Trade Regulation, e-commerce (TikTok shop), and *Maqashid Syariah*. Once the materials were collected, they were read and analyzed to gather research data. The data is then compiled by Al-Ayyubi et al.'s (2023) research questions.<sup>21</sup>

Literature analysis was conducted to explore the regulatory framework for ecommerce, the application of *Maqashid Syariah* principles in commerce, and digital business practices. Each source was carefully analyzed for relevant content related to these areas.

### **Results and Discussion The Impact of the Digital Economy on TikTok Shop**

The digital economy has significantly changed how people interact, transact, and fulfill daily needs. The explosion of internet and mobile device users, especially among the younger generation, has created a vast potential market for e-commerce platforms such as TikTok Shop. As Alfiani Munawarah et al. (2020) stated, "The digital economy plays an important role in the development of modern markets in Indonesia.<sup>22</sup> Advances in information and communication technology have driven the growth of e-commerce and supported online buying and selling transactions."

However, challenges also come with the development of the digital economy. Fierce competition with other established e-commerce platforms makes TikTok Shop struggle to attract consumers and sellers. Trust and security of online transactions are critical factors that must be well maintained to build customer loyalty. However, behind

<sup>&</sup>lt;sup>20</sup> Zulfa, Nur Millah, and Novitasari.

<sup>&</sup>lt;sup>21</sup> Solahuddin Al-Ayyubi, Evania Herindar, and Muhammad Nabhan Perdana, "MAQASID SHARIA IN TABARRU' CONTRACT LAWS," *Jurnal Al-Dustur* 6, no. 1 (June 1, 2023): 28–49, https://doi.org/10.30863/aldustur.v6i1.4194.

<sup>&</sup>lt;sup>22</sup> Alfiani Munawarah et al., "PERAN EKONOMI DIGITAL PERKEMBANGAN PASAR MODERN DI INDONESIA," *Jurnal Al-Aflah* 1, no. 2 (December 4, 2022), https://doi.org/https://doi.org/10.23971/al-aflah.v1i2.5876.

these challenges, TikTok Shop has an excellent opportunity to leverage user behavior data and recommendation algorithms to provide a personalized shopping experience. The integration of social media content and e-commerce can be a competitive advantage for TikTok Shop in attracting young people who are active on social media.

To deal with the dynamics of the digital economy, TikTok Shop needs to adopt an appropriate adaptation strategy. It includes optimizing the user experience with a friendly interface and easy transaction processes, building consumer trust by prioritizing data security and privacy, and leveraging the power of influencers and creative content on TikTok to promote products and increase engagement with consumers. Alfiani Munawarah et al. (2020) emphasized, "The development of the digital economy requires businesses to improve marketing strategies and customer service to compete in modern markets."<sup>23</sup>

With a solid and innovative adaptation strategy, TikTok Shop can capitalize on the potential of the digital economy and face the challenges of becoming a successful and competitive e-commerce platform in the global market. Combining social media entertainment content and a fun online shopping experience could be the key to TikTok Shop's success in attracting consumer interest and loyalty in this dynamic digital era.

### Analysis of Regulations and Legislation Related to TikTok Shop

In this fast-paced digital era, the development of e-commerce platforms such as TikTok Shop cannot be separated from the legal and regulatory framework that governs them. As stated by Kholifatul Muna et al. (2023), "Regulation of TikTok Shop Trading License as an Additional Feature of TikTok App in Indonesia is important to regulate the operation of this platform, which is integrated with social media."<sup>24</sup>

The Law on Trade and Electronic Information and Transactions (ITE) is the primary milestone in regulating e-commerce activities in Indonesia. Both regulations require businesses to provide accurate, transparent, and honest product information to consumers and maintain the security of personal data and electronic transactions. The Government Regulation on Trading Through Electronic Systems is also present to regulate the obligations and responsibilities of e-commerce business actors, including consumer protection in online transactions.

However, there are normative problems in the Regulation of the Minister of Trade Number 31 of 2023, which prohibits the practice of social commerce on TikTok shops. This Ministerial Regulation can potentially hinder the development of TikTok Shop, which utilizes the power of influencers and creative content on social media to promote products.

The implications of this legislation are quite extensive for TikTok Shops. They must provide complete, accurate, and non-misleading product information and maintain consumer data security. However, the social-commerce ban may limit TikTok Shop's marketing strategy and consumer engagement, which should be its strong point.

Therefore, regulatory adjustments are needed to support the development of TikTok Shop and similar e-commerce platforms. Comprehensive data protection, information security regulations, and regulations governing the responsibilities of third parties, such as influencers, are important. Harmonization of regulations is also necessary to avoid overlap and legal uncertainty.

<sup>&</sup>lt;sup>23</sup> Hal: 8

<sup>&</sup>lt;sup>24</sup> Muna and Santoso, "Regulasi Izin Perdagangan TikTok Shop Sebagai Fitur Tambahan Aplikasi TikTok Di Indonesia."

TikTok Shop can operate legally and responsibly and gain consumers' trust by keeping up with regulations and ensuring compliance. Collaboration between the government, business actors, and the public in developing the proper regulations will be the key to the success of the digital economy in Indonesia, including e-commerce platforms integrated with social media such as TikTok Shop.

## Application of Maqashid Syariah Principles in TikTok Shop

*Maqashid Syariah* or the main objective of Islamic law, must be the basis for every economic activity to be in line with religious teachings. Al-Ayubi and Halawatuddu'a (2 stated021),<sup>25</sup> "Maqasid al-sharia in Islamic finance aims to realize benefits and avoid damage in every financial transaction."

Tik Tok Shop business practices are required to provide protection against *maslahah* or benefit for all parties involved. It includes guarantees of product safety and halalness, transparency of product information, and protection of consumer rights according to the principles of *Maqashid Syariah*.

Moreover, TikTok Shop must also be committed to fulfilling *Maqashid Syariah* in economic, social, and ethical aspects. Economically, this platform must support a fair and sustainable digital economy. In the social dimension, TikTok Shop is expected to promote products beneficial to society and support charity programs by the spirit of *Maqashid Syariah* conveyed by Al-Ayyubi et al. (2023), "Maqasid sharia in *tabarru'* contract laws aims to realize social welfare and humanitarian solidarity."<sup>26</sup>

Tilawati (2020) emphasized that "online buying and selling from a *maqashid* perspective must fulfill the principles of justice, free will, clarity and transparency." The ethical aspect is a significant concern, so TikTok Shop avoids business practices that contain fraud, usury, gharar, and exploitation.<sup>27</sup>

By utilizing modern technology but remaining grounded in Sharia values, developing Sharia economic features, collaborating with relevant institutions, and implementing good governance, TikTok Shop can realize the harmonization between Sharia principles and modern e-commerce practices for the benefit of the people.

## The Impact of TikTok Shop on the Economy and Society

The presence of TikTok Shop as an e-commerce platform integrated with social media has significantly impacted people's consumption behavior. As Indayani (2024) highlighted in her research, "the impact of TikTok Shop e-commerce on the consumption behavior of FEBI IAIN Ponorogo students based on an Islamic economic perspective needs to be studied further."<sup>28</sup> The ease of access and promotion of products through creative content can encourage excessive consumerism if not balanced with the application of Islamic economic values.

In addition, TikTok Shop also influences people's online shopping motives, especially millennials. Marbun and Rasyid (2022) stated, "The influence of TikTok Shop on the online shopping motives of Riau Islamic University students is quite large, especially in terms of practicality, attractive promotions, and invitations from influencer

<sup>&</sup>lt;sup>25</sup> Hal: 3

<sup>&</sup>lt;sup>26</sup> Hal: 8

<sup>&</sup>lt;sup>27</sup> Anis Tilawati, "Jual Beli Online Perspektif Maqashid Tafsir Jasser Auda," *Jurnal Al-Fath* 14 (2020): 1–28.

<sup>&</sup>lt;sup>28</sup> Velia Putri Indayani, "Dampak e Commerce Tiktok Shop Terhadap Perilaku Konsumsi Mahasiswa Febi Iain Ponorogo Berdasarkan Perspektif Ekonomi Islam," 2024.

content."<sup>29</sup> This phenomenon shows a shift in consumption patterns that are more influenced by social media and digital trends.

On the other hand, TikTok Shop has positively impacted the development of MSMEs in Indonesia. Priyono Sari (2023) mentioned, "The impact of the Tiktok and Tiktok Shop applications on MSMEs in Indonesia is significant in increasing the visibility and sales of MSME products through creative content." This platform is an effective means of promotion and marketing for MSME players to reach a broader market.<sup>30</sup>

Given the considerable impact on the economy and society, the management of TikTok Shop needs to be done wisely. The government, business actors, and the community must collaborate in creating a healthy, productive, and sustainable digital economic ecosystem. Education about responsible consumption according to Islamic economic values is important to mitigate potential negative impacts.

In addition, TikTok Shop can promote local products and support the development of Indonesia's creative economy. By utilizing the power of creative content on this platform, MSMEs and business actors can increase competitiveness and reach a broader market.

Ultimately, the presence of TikTok Shop brings both opportunities and challenges to the Indonesian economy and society. Appropriate collaboration and policies are needed to maximize its economic benefits while minimizing the negative impact on people's consumption behavior and lifestyle. Thus, the development of the digital economy can run in harmony with the values and principles of Islamic economics, which prioritize balance and mutual benefit.

### TikTok Shop's Sustainable Development Strategy

Improving service quality is crucial to strengthen consumer trust and loyalty. As highlighted in Febriana Sari & Fatrianto Suyatno's (2023), "Measuring Service Quality in the Tiktok Shop Application Using the E-Servqual and IPA (Importance Performance Analysis) Methods is needed to identify areas of service improvement that can increase customer satisfaction."<sup>31</sup>

In addition, aspects of digital business ethics also need to be considered when developing TikTok Shop. Hariyanto & Wahyudi (2023), in their research "Digital Business Ethics The Role of Government Policy on Tiktok Shop Indonesia License Revocation," asserted that "Tik Tok Shop must comply with government regulations and policies related to digital business ethics to ensure responsible and sustainable operations."<sup>32</sup>

In light of these findings, TikTok Shop should take the following strategic steps:

1. Conduct periodic service quality evaluations using E-Servqual and IPA to identify priority improvement areas based on consumer expectations and perceptions.

<sup>&</sup>lt;sup>29</sup> Bela Marbun and Anuar Rasyid, "PENGARUH TIKTOK SHOP TERHADAP MOTIF BELANJA ONLINE MAHASISWA UNIVERSITAS ISLAM RIAU," *Jurnal Ilmu Komunikasi /* 11, no. 2 (2022): 29–40.

<sup>&</sup>lt;sup>30</sup> Muhammad Bintang Priyono and Dian Permata Sari, "Dampak Aplikasi Tiktok Dan Tiktok Shop Terhadap UMKM Di Indonesia," *Jurnal Ilmiah Wahana Pendidikan* 9, no. 17 (2023): 497–506, https://doi.org/10.5281/zenodo.8315865.

<sup>&</sup>lt;sup>31</sup> Putri Febriana Sari and Dwi Fatrianto Suyatno, "Pengukuran Kualitas Layanan Pada Aplikasi Tiktok Shop Menggunakan Metode E-Servqual Dan IPA (Importance Performance Analysis)," (*Journal of Emerging Information Systems and Business Intelligence* 4 (2023). <sup>32</sup> Hal: 4

- 2. Develop human resources training programs to improve customer service quality, such as responsiveness, empathy, and effective complaint handling.
- 3. Commit to the principles of digital business ethics, such as transparency, data security, consumer privacy, and social responsibility.
- 4. Work with regulators and stakeholders to ensure compliance with regulations and policies related to digital business ethics.
- 5. Building a corporate culture that upholds integrity, honesty, and sustainable business practices.

By implementing these strategies, TikTok Shop can increase customer satisfaction and loyalty through quality service, strengthen consumer trust, and give TikTok Shop a competitive advantage in the long run.

#### Conclusion

In this study, we have taken an in-depth look at trade regulation in the context of TikTok Shop using the *Maqashid Syariah* analysis approach. The analysis results show that existing commerce regulations must still be adapted to *Maqashid Syariah* principles to ensure fairness, sustainability, and welfare in online commerce practices. Through literature collection and analysis, we understand that TikTok Shop has become a major representative of the online commerce phenomenon that combines entertainment and commercialism. However, regulatory challenges such as consumer protection, intellectual property rights, and law enforcement remain the main focus in regulating TikTok Shop operations.

The study of TikTok Shop's trade license regulation highlights the importance of regulatory intervention in regulating business transactions on the platform. However, there are still complexities and challenges in ensuring sellers' compliance with rules and adequate protection of consumer rights. Thus, this study concludes that TikTok Shop needs to reform and improve the trading regulations for TikTok Shop to maintain compliance with *Maqashid Syariah* principles. It should be done holistically, involving collaboration between government, industry, and civil society to create a fair, transparent, and sustainable trading environment.

It is hoped that this research can contribute to strengthening online commerce's regulatory framework and promote fairness and morality in modern business practices. Moreover, this research can serve as a foundation for sustainable policy-making to support the development of online commerce beneficially and sustainably for all parties involved.

### References

- Abror, Mursyidi. "Implementation of Maqashid Sharia and Islamic Corporate Social Responsibility in Production Ethics." *IMKA Implementasi Manajemen & Kewirausahaan.* Vol. 1, 2021.
- Al-Ayubi, Solahuddin, and Siti Halawatuddu'a. "MAQASID AL-SHARIA IN ISLAMIC FINANCE." *Jurnal Al-Dustur* 4, no. 2 (December 1, 2021): 197–215. https://doi.org/10.30863/jad.v4i2.1823.
- Al-Ayyubi, Solahuddin, Evania Herindar, and Muhammad Nabhan Perdana. "MAQASID SHARIA IN TABARRU' CONTRACT LAWS." *Jurnal Al-Dustur* 6, no. 1 (June 1, 2023): 28–49. https://doi.org/10.30863/aldustur.v6i1.4194.

- Dian Humairoh, Iftitah, Mia Rosmiawati, Jalan Kalimantan No, Krajan Timur, Kec Sumbersari, Kabupaten Jember, and Jawa Timur. "Problematika Normatif Dalam Peraturan Menteri Perdagangan Nomor 31 Tahun 2023 Terkait Larangan Social-Commerce Pada Tiktok Shop." *Jurnal Crepido*. Vol. 05, 2023.
- Febriana Sari, Putri, and Dwi Fatrianto Suyatno. "Pengukuran Kualitas Layanan Pada Aplikasi Tiktok Shop Menggunakan Metode E-Servqual Dan IPA (Importance Performance Analysis)." (Journal of Emerging Information Systems and Business Intelligence 4 (2023).
- Hariyanto, Sigit, and Amin Wahyudi. "DIGITAL BUSINESS ETHICS THE ROLE OF GOVERNMENT POLICY ON TIKTOK SHOP INDONESIA LICENSE REVOCATION." Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah 8 (2023). https://doi.org/10.30651/jms.v8i4.20910.
- Indayani, Velia Putri. "Dampak e Commerce Tiktok Shop Terhadap Perilaku Konsumsi Mahasiswa Febi Iain Ponorogo Berdasarkan Perspektif Ekonomi Islam," 2024.
- Ishak, Muhammad Shahrul Ifwat, and Fathullah Asni. "The Role of Maqasid Al-Shari'ah in Applying Fiqh Muamalat into Modern Islamic Banking in Malaysia." *Journal of Islamic Accounting and Business Research* 11, no. 9 (December 6, 2020): 2137–54. https://doi.org/10.1108/JIABR-12-2019-0224.
- Kartika, Sahnaz, and Dhiauddin Tanjung. "SISTEM AKAD TRANSAKSI JUAL BELI ONLINE DROPSHIPPING PERSPEKTIF MAQASHID SYARI'AH." *HUMAN FALAH* 9 (2022).
- Marbun, Bela, and Anuar Rasyid. "PENGARUH TIKTOK SHOP TERHADAP MOTIF BELANJA ONLINE MAHASISWA UNIVERSITAS ISLAM RIAU." *Jurnal Ilmu Komunikasi |* 11, no. 2 (2022): 29–40.
- Muna, Kholifatul, and Budi Santoso. "Regulasi Izin Perdagangan TikTok Shop Sebagai Fitur Tambahan Aplikasi TikTok Di Indonesia." *Jurnal USM Law Review* 7, no. 1 (March 9, 2024). https://doi.org/10.46773/djce.v1i2.329.
- Munawarah, Alfiani, Anisa Minal Janah, Eka Alsa Oktarini, and Husnul Khatimah. "PERAN EKONOMI DIGITAL PERKEMBANGAN PASAR MODERN DI INDONESIA." *Jurnal Al-Aflah* 1, no. 2 (December 4, 2022). https://doi.org/https://doi.org/10.23971/al-aflah.v1i2.5876.
- Nata, Mada Angga Dwi, and Haryono Haryono. "IMPLEMENTASI EKONOMI **EKONOMI** BERBASIS KERAKYATAN DIGITAL UNTUK MEMBANGKITKAN UMKM PADA MASA PANDEMI COVID 19." PROMOSI (Jurnal Pendidikan Ekonomi) 10, 1 (December no. 4, 2022). https://doi.org/http://dx.doi.org/10.24127/pro.v10i1.5410.
- Nurussofiah, Febi Fatlika, Ummul Karimah, Siti Khodijah, and Ulil Hidayah. "PENERAPAN MEDIA SOSIAL SEBAGAI MEDIA PEMASARAN ONLINE DI ERA GLOBALISASI." *DEVELOPMENT: Journal of Community Engagement* 1, no. 2 (March 9, 2022): 92–108. https://doi.org/https://doi.org/10.46773/djce.v1i2.329.

- Priyono, Muhammad Bintang, and Dian Permata Sari. "Dampak Aplikasi Tiktok Dan Tiktok Shop Terhadap UMKM Di Indonesia." *Jurnal Ilmiah Wahana Pendidikan* 9, no. 17 (2023): 497–506. https://doi.org/10.5281/zenodo.8315865.
- Tilawati, Anis. "Jual Beli Online Perspektif Maqashid Tafsir Jasser Auda." *Jurnal Al-Fath* 14 (2020): 1–28.
- Wijoyo, Sandy Gunarso. "Fenomena Aplikasi TikTok Shop Sebagai Alternatif Belanja Hemat" 2, no. 2 (2023): 109.
- Zulfa, Nurhajijah, Nila Nur Millah, and Kartika Novitasari. "Konsep Maqashid Syariah Dalam Praktik Strategi Pemasaran Tiktok Dengan Landasan Etika Bisnis Islam." / ANALYSIS: Accounting, Management, Economics, and Business 2, no. 1 (2024). https://doi.org/10.56855/analysis.v2i1.928.