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AN ANALYTICAL STUDY ON THE PRESENCE OF GHARAR ELEMENTS IN FLASH SALE TRANSACTIONS ON TIKTOK SHOP FROM AN ISLAMIC ECONOMIC PERSPECTIVE

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Abstract

With the rapid development of technology, TikTok Shop has become a popular platform for promoting and selling products to millions of active users in Indonesia. This research aims to analyze the presence of Gharar (uncertainty or ambiguity) in the Flash Sale system on TikTok Shop using qualitative methods. Gharar is a concept in Islamic Sharia that must be avoided in transactions. Data were collected through in-depth interviews with consumers and Sharia economics experts, participatory observation, and literature studies. The results indicate that despite TikTok Shop's efforts to provide clear product and pricing information, elements of Gharar remain, especially regarding product availability and delivery times. Consumers often face uncertainty in obtaining products during Flash Sales and experience delivery delays. To enhance compliance with Sharia principles, it is recommended that TikTok Shop ensures product availability and provides accurate delivery time guarantees. These efforts will help minimize transaction uncertainty, making them fairer and more compliant with Sharia principles. This study offers a novel contribution by examining the application of Islamic commercial principles to emerging e-commerce flash sale systems, a topic that remains underexplored in current Sharia economic literature.

Keywords: gharar; buying and sellin; tiktok shop; e-commerce

A. INTRODUCTION

In 2022, the Gross Merchandise Value (GMV)—or the total value of goods sold through the TikTok Shop platform in Indonesia—reached USD 25 billion, accounting for 57% of the total GMV in the Southeast Asian market. In 2023, Indonesia emerged as the largest TikTok Shop market globally, representing 20.5% of all TikTok Shops in Asia.

Currently, the TikTok Shop phenomenon has rapidly grown in Indonesia by leveraging the popularity of TikTok and the positive reception from consumers, particularly the younger generation. The integration of e-commerce with engaging

video content and collaborations with local influencers has significantly enhanced product visibility and driven sales. Features such as interactive live shopping, attractive promotions, and the adaptation of services to local preferences have further solidified TikTok Shop's position in the Indonesian market (Reyhan et al., 2024).

TikTok Shop is available as an application with various commercial features, reflecting how buying and selling transactions have become easier and more efficient, accessible anytime and anywhere (Wahyu Setiawan & Ariani, 2022). Through the Flash Sale feature, TikTok Shop offers discounted products for a very limited time, prompting consumers to make immediate purchases.

From an Islamic legal perspective, Flash Sale practices are permissible as long as the transactions are conducted honestly, transparently, and in accordance with Sharia principles. Sellers must provide clear information about the products, avoid uncertainty (Gharar), and ensure that the offered discounts do not result in excessive loss for any party. Likewise, consumers are encouraged to make wise purchasing decisions, avoid wasteful behavior, and consider their actual needs. By upholding integrity and adhering to Islamic moral values, Flash Sale practices can align with Islamic teachings (Hukum, n.d.).

Transactions conducted on TikTok Shop must adhere to the principles of honesty, fairness, and transparency. It is important to avoid elements of uncertainty (Gharar) in transactions and to ensure that prices and discounts offered are fair and reflect the true value of the products. Moreover, the transactions must comply with Islamic legal and ethical standards, including the avoidance of riba (usury), and ensure that the products being sold and purchased are halal and not used to facilitate immoral or unlawful activities (Fajrussalam et al., 2022).

Based on the phenomenon above, this article aims to address the following research questions. *First*, how is the Flash Sale transaction mechanism implemented on the TikTok Shop platform?. *Second*, How can the potential presence of Gharar in Flash Sale transactions on TikTok Shop be evaluated? The purpose of this study is to analyze the presence of Gharar (uncertainty or ambiguity) in the Flash Sale system on TikTok Shop using a qualitative approach. This research is expected to provide deeper insights for practitioners and business actors in operating ecommerce ventures in compliance with Sharia principles.

B. LITERATURE REVIEW

We must examine the key elements that must be fulfilled in a sale and purchase according to the principles of Islamic economics. In Islamic economics, several essential elements must be fulfilled for a sales transaction to be considered valid and in accordance with Sharia principles. These elements are as follows:

First, the seller and buyer (aqidain). Both parties must possess legal capacity (i.e., be of age, sane, and mature) and enter into the transaction voluntarily and without coercion (Zuhaili, 1985). Second, the object of the transaction (mabi'). The goods or services being sold must be halal and not prohibited in Islam. The item must exist at the time of the transaction, be deliverable, and its quality and quantity

must be clearly known by both parties (Qardhawi, 1998).

Third, the price (thaman). The price must be clearly defined, specific, and agreed upon by both parties. There must be no gharar (uncertainty) in price determination (Zahrah, 2007). Fourth, offer and acceptance (sighat). There must be an offer (ijab) from the seller and acceptance (qabul) from the buyer that signifies mutual agreement. This process must occur within the same session or meeting (majlis) (Nabhani, 1990).

Fifth, delivery (qabdh). The goods must be delivered by the seller to the buyer, and the buyer must pay the agreed amount to the seller. Delivery may be made directly or through mutually agreed means. Additionally, the transaction must be free from riba (interest), which refers to any excess or profit obtained without risk or effort (Khan, 2019). Sixth, honesty and fairness. both parties must act with integrity and fairness during the transaction. The seller must provide accurate information about the product and refrain from fraud or manipulation (The Qur'an, 4:58).

Seventh, absence of *gharar* (excessive uncertainty): the transaction must not involve undue uncertainty that could harm either party. Fulfilling these elements is essential to ensure that the transaction runs properly and adheres to Sharia principles in Islamic economics. By doing so, the transaction is not only legally valid but also brings blessings and the pleasure of Allah SWT (Kahf, 2017).

When all of these elements are fulfilled, e-commerce transactions are considered Sharia-compliant, ensuring the halal nature and spiritual merit of the business activity. Definition of Gharar from the Perspective of Islamic Economics *Gharar* is a concept in Islamic economic law that refers to excessive uncertainty or risk in a transaction, which may lead to unfairness and harm to one of the parties. This uncertainty may manifest in various forms, such as ambiguity regarding the transaction object, price, quality, quantity, or the time of delivery of goods or services. Examples of *gharar* include selling an item that does not exist or is not owned, unclear contracts, excessive speculation without a solid basis, indeterminate pricing, and vague delivery times. The key to avoiding *gharar* lies in honesty, transparency, fairness, and certainty in all aspects of the transaction.

Avoiding *gharar* in economic transactions yields substantial benefits, such as preventing disputes, building trust between parties, and creating a stable and sustainable economic environment. This principle also supports shared prosperity by ensuring that transactions are conducted justly and without exploitation. Therefore, in order to ensure the halal status and spiritual merit of economic activities, all Sharia-compliant transactions must avoid the element of *gharar*, thereby protecting the interests of all parties involved. E-Commerce Platform on the TikTok Shop Application

TikTok Shop is one of the e-commerce platforms integrated into the TikTok social media application, allowing users to buy and sell products directly through the app. TikTok Shop offers various features and advantages that distinguish it as a leading e-commerce platform. These include:

First, integration with video content. TikTok Shop utilizes engaging short-form video content to boost sales. Sellers can create attractive and creative videos that showcase their products, which can then be viewed by millions of TikTok users. This enables more dynamic and interactive product promotion compared to traditional marketing methods. Second, live shopping feature. One of TikTok Shop's standout features is live shopping, where sellers conduct livestreams to promote their

products. During these live sessions, viewers can observe the products in real-time, ask questions, and make immediate purchases. This creates a more personal and interactive shopping experience. *Third*, collaboration with influencers. TikTok Shop takes advantage of its large influencer network. Influencers promote products to their followers through sponsored videos or livestreams, significantly influencing consumer purchasing decisions. This allows brands to reach a broader audience and build consumer trust.

Fourth, ease of transaction: TikTok Shop offers a seamless purchasing system within the app. Users can add items to their shopping cart, make payments, and track their orders without leaving the TikTok platform. This integration creates a smooth and efficient shopping experience. Fifth, advertising and promotion features. TikTok Shop provides a variety of advertising and promotional tools to help sellers increase product visibility. Paid ads can be used to target audiences based on demographics, interests, and behavior. TikTok also offers analytical tools that enable sellers to assess the performance of their advertisements and sales, helping them to optimize their marketing strategies. Sixth, personalized shopping experience. TikTok's powerful algorithm displays relevant products to users based on their preferences and in-app behavior. This ensures that users are shown products suited to their interests, increasing the chances of conversion and customer satisfaction.

TikTok Shop successfully combines entertainment and commerce, creating a unique and engaging shopping experience for users. With features like video integration, live shopping, influencer collaboration, smooth transactions, and targeted advertising, TikTok Shop offers a robust platform for sellers to reach wider audiences and drive sales. Flash Sale on TikTok Shop. A Flash Sale on TikTok Shop is a short-term promotion offering significant discounts on selected products for a limited period. The primary objective of Flash Sales is to create a sense of urgency among buyers, encouraging them to make immediate purchases before the promotion ends or the product runs out of stock. Sellers can select products, determine the discount rate, and set the promotion duration through their dashboards. Flash Sale products are prominently displayed with countdown timers, and users receive notifications to enhance visibility and drive sales.

The advantages of Flash Sales for sellers include rapid increases in sales, clearance of old inventory, improved store visibility, and enhanced brand awareness. For buyers, Flash Sales provide opportunities to purchase products at substantial discounts, enriching their shopping experience. Therefore, Flash Sales contribute to a dynamic and beneficial ecosystem within the TikTok Shop platform, enhancing user interaction and commercial activity.

C. METHOD

This study adopts a qualitative approach with a case study design to investigate the presence of *gharar* elements in the Flash Sale system on TikTok Shop. The case study method was chosen because it allows the researcher to understand the phenomenon in a real-life context in a deep and comprehensive manner. The focus of this research lies in the experiences, perceptions, and the dynamics of uncertainty felt by transaction participants within the Flash Sale system offered by TikTok Shop. The first step of this research involved the analysis of TikTok

Shop's policy documents related to the Flash Sale system. The researcher examined official documents such as terms and conditions, seller guidelines, as well as shipping and return policies in order to understand the framework that governs Flash Sale transactions. This analysis aimed to identify the extent to which transparency, clarity of information, and transactional certainty are accommodated within those policies.

Primary data were collected through in-depth interviews with six informants, consisting of three sellers and three active consumers on TikTok Shop. Informants were selected using purposive sampling, based on their active engagement in Flash Sale activities for at least the past six months. This selection aimed to obtain relevant, in-depth, and contextual data in accordance with the research focus. The interviews were conducted in a semi-structured format to allow for more flexible and reflective exploration of each informant's experience. In addition to interviews, the researcher also conducted participant observation of Flash Sale activities on TikTok Shop. This observation was carried out by directly following the purchasing process in real time, noting elements of uncertainty that may arise—such as sudden price changes, uncertain product availability, and shipping delays. The observation was supported by field notes and screen documentation (e.g., screenshots) to strengthen the descriptive data. To complement the primary data, a literature review was also conducted to provide theoretical and conceptual foundations on gharar in Sharia economic transactions, particularly in the context of modern e-commerce. The literature examined includes Islamic economics textbooks, scholarly journal articles, and fatwas related to transactions containing elements of uncertainty (gharar). To ensure the validity of the data, the technique of triangulation was applied by comparing the results from interviews, observations, and document analysis. The researcher also conducted member checking to confirm that the interpretations made were consistent with the intentions and experiences of the informants. This validation process was crucial in maintaining the trustworthiness of the findings in qualitative research.

Data were analyzed using the Miles and Huberman model, which consists of three stages: data reduction (sorting and simplifying raw data), data display (organizing data into narrative form and thematic matrices), and conclusion drawing (identifying patterns, themes, and meanings from the data collected). This analytical process was carried out simultaneously during data collection to ensure depth and alignment between the data and its context.

This study also paid close attention to ethical considerations. All informants were provided with information regarding the objectives and procedures of the research and were asked to give their voluntary informed consent before the interviews were conducted. The identities of the informants were anonymized and kept confidential to protect their privacy and comfort during and after the research process.

Furthermore, the researcher acknowledged their position as an external party with no direct involvement with TikTok Shop or the informants. Therefore, reflexivity was consciously maintained by upholding objectivity, avoiding personal bias, and remaining open to diverse interpretations and perspectives shared by the informants.

D. RESULT AND DISCUSSION

Uncertainty in TikTok Shop Policies

An analysis of TikTok Shop's policies reveals key insights regarding the regulatory framework behind Flash Sale implementation. Although TikTok has established several policies, an in-depth investigation reveals uncertainties, particularly concerning stock availability, sales timing, and product return procedures. *First,* uncertainty in stock availability. Within TikTok Shop's policy framework—especially during Flash Sales—uncertainty regarding stock availability emerges as a major issue, often leading to consumer disappointment. When discounted products are heavily promoted, high demand frequently results in rapid stock depletion. This may constitute an element of *gharar* if consumers are not clearly informed about stock levels or if availability is not guaranteed. Transparency regarding inventory during Flash Sales is crucial for enabling informed decision-making and reducing uncertainty and dissatisfaction.

Second, uncertainty related to pricing during Flash Sales. Flash Sales often involve limited-time discounts or special offers. Although such price reductions can incentivize purchases, ambiguity or lack of clarity in price determination may lead to *gharar*. For example, if sellers or the platform do not clearly communicate how pricing is set, consumers may be confused about the final amount payable. Transparency in pricing mechanisms is therefore essential to ensure fairness in transactions.

Third, ambiguity in product information and quality assurance. Another potential form of *gharar* on TikTok Shop involves insufficient or unclear product descriptions. As a video-based platform, TikTok Shop relies on short promotional videos that are often visually engaging but may lack comprehensive product details. This includes uncertainty regarding product quality, size, material, and actual condition. If this information is not communicated transparently, consumers may receive products that do not meet expectations, thereby constituting *gharar*. Quality assurance during promotional events like Flash Sales should be prioritized to help consumers make fully informed purchasing decisions.

Fourth, uncertainty in the return process. Ambiguous return procedures can also be a source of *gharar*. While TikTok Shop allows sellers from diverse backgrounds to operate on the platform, return policies are often left to individual sellers, leading to inconsistent consumer experiences. Uncertainty in the return process may result in consumers feeling disadvantaged, especially when products are damaged or not as described. To ensure Sharia-compliant transactions, return policies should be clearly defined and consistently applied to foster consumer trust.

User Awareness of Gharar Elements

Findings from the analysis indicate that *gharar* in Flash Sales can be subject to debate in the context of Islamic law. Most Flash Sales involving limited stock or brief timeframes may not automatically be considered *gharar*, as long as clear and transparent information is provided to consumers. The principles of clarity, transparency, and fairness are essential in preventing *gharar*. Therefore, Flash Sale organizers and sellers on TikTok Shop must provide accurate and complete

information to ensure fair and uncertainty-free transactions.

Challenges and Expectations of Sellers and Consumers

Interviews with sellers and consumers offer deep insights into the challenges they face and their expectations. Sellers encounter difficulties in managing inventory, meeting high demand, and maintaining store reputations. On the other hand, consumers emphasize the importance of transparent transactions, timely delivery, and hassle-free product returns. Collaborative efforts between TikTok Shop, sellers, and consumers are needed to overcome these challenges and foster a more effective commercial ecosystem.

Recommendations for Improvement

This study recommends integrating qualitative and quantitative data in future research to support the development of concrete improvement strategies. These include enhancing information clarity through user interface refinement on TikTok Shop, improving regulations related to stock limits and sale duration, and promoting best practices among sellers to improve customer service. Such recommendations aim to create a fairer and more sustainable Flash Sale environment.

Ethical Implications in Business and Digital Commerce

The ethical dimensions of business and digital commerce are especially relevant in light of these findings. Addressing the ethical challenges arising from *gharar* creates opportunities to establish more robust ethical codes in online trade. TikTok and other e-commerce platforms must integrate these ethical principles into their policies and business practices to ensure consumer protection and Sharia compliance.

Future Challenges

Online commerce will continue to face various future challenges, including shifting market dynamics, rapid technological advancement, and the need for adaptive e-commerce regulations in the VUCA era (Volatility, Uncertainty, Complexity, Ambiguity). Addressing these challenges will require collaboration between governments, corporations, and other stakeholders to create a trade environment that is adaptive, inclusive, and beneficial to all parties involved.

Expanding Insights in a Global Context

Research on TikTok Shop not only provides essential insights for the platform itself but also has broader implications for other e-commerce platforms at both regional and global levels. By comparing and exchanging best practices across platforms, shared challenges in digital commerce can be addressed, and higher standards can be established. Information about features that enhance user engagement and product sales can serve as guidance for other platforms, while understanding consumer preferences and shopping trends can lead to more effective strategies. Cross-platform collaboration in knowledge sharing can further strengthen the digital commerce ecosystem, ultimately benefiting both businesses and consumers worldwide.

E. CONCLUSION

This study presents an in-depth analysis of the presence of *gharar* elements in the Flash Sale transaction system on TikTok Shop. Through a comprehensive approach involving policy analysis, user surveys, and interviews with both sellers and consumers, several key findings have emerged as the basis for the study's conclusions.

Overall, the conclusions of this research provide a foundation for critical reflection on business practices and ethics within the realm of digital commerce. The resulting recommendations offer opportunities for positive transformation in TikTok Shop's policies and business practices, while also contributing to the development of business ethics theory in the context of online trade. The implications of this study can serve as a reference point for future policy reforms and industry standards aimed at fostering a fairer and more sustainable e-commerce environment.

By outlining these various aspects, this study not only offers a detailed picture of the presence of *gharar* within the Flash Sale system on TikTok Shop but also highlights concrete steps for improvement and evolution in digital commerce. These implications enrich the discourse on business ethics and make a meaningful contribution to shaping better policy frameworks for online trading practices.

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