




Assessment of Islamic E-Business Transactions in Small and Medium-sized Enterprises (SMEs) and Their Impact on Muslims in Northwestern Nigeria

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Abstract

The study evaluates the dynamics of Islamic e-business transactions in Small and Medium-sized Enterprises (SMEs) and their socio-economic impact on Muslims in Northwestern Nigeria. By examining the integration of Shar'i'ah-compliant principles within digital commerce, the research explores how Islamic jurisprudence influences online business practices, including contract fairness, transparency, and prohibition of interest (riba). A mixed-methods approach involving surveys, interviews, and content analysis was employed to assess the awareness, adoption, and challenges faced by Muslim entrepreneurs and consumers. Findings reveal a growing acceptance of Islamic e-business models, driven by the need for ethical commerce, though constrained by limited digital literacy and infrastructural deficits. Quantitative and qualitative analysis reveals that adherence to Islamic principles such as the avoidance of usury and haram products varies among MSMEs. The lack of knowledge on Islamic finance among MSME owners highlights the need for training and awareness campaigns. Consumer trust in halal-certified platforms and Islamic payment gateways is generally positive, although fraud and regulatory concerns remain. Statistical analysis shows a strong correlation between MSME performance and adherence to Islamic business ethics. MSMEs using Islamic financial instruments such as Murabaha and Mudaraba show improved financial stability and market expansion. The interview results confirm the importance of regulatory intervention to create an enabling environment for Shariah-compliant e-businesses. The paper concludes with recommendations to enhance Islamic e-business adoption, highlighting its potential to boost financial inclusion and economic empowerment among Muslims in the region while preserving religious values.

A. Introduction

The way businesses function has been significantly altered by the quick development of technology and its incorporation into many facets of human life. The rise of e-business, a paradigm that uses the internet and digital technology to enable business transactions and services, is one of the noteworthy advancements

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(Yazid et al., 2023). E-business has emerged as a major force in the global economy, allowing people and businesses to do business with previously unheard-of ease and effectiveness. The implementation of e-business practices has attracted a lot of interest in Islamic societies, especially because these practices must be in line with Shari'ah, the body of Islamic ethical and legal norms.

As a subset of e-business, Islamic e-business integrates the principles of Islamic law, placing particular emphasis on the avoidance of transactions including forbidden (haram) aspects, transparency, justice, and the prohibition of usury (riba) (Muhammad et al., 2024). These tenets act as foundations for guidance to guarantee that online transactions are conducted in accordance with the ethical and spiritual standards maintained in Islam (Baabdullah et al., 2019). Evaluating Islamic e-business practices is essential to comprehending both their broader effects on the socioeconomic well-being of Muslim communities and their adherence to Shari'ah.

Scholarly debates about whether digital trade adheres to Islamic principles have been spurred by the growth of e-business transactions in Muslim societies.

The relationship between e-commerce and Islamic business ethics has been examined by a number of academics. Bagheri & Hassan (2012) contend that if e-business transactions stay clear of riba (usury), gharar (uncertainty), and haram (forbidden) transactions, they might be in line with Shari'ah standards. In a similar vein, Almajid contend that openness, truthfulness, and equitable transactions all fundamental Islamic business principles are necessary for e-commerce to be acceptable.

Guru, et al. have examined the legal aspect of Islamic e-business transactions, emphasizing how online trading platforms might be subject to Islamic contract regulations such Bai' al-Salam, Murabaha, and Ijarah. Similarly, Fauziah, & Fathimah investigates how Shari'ah compliance is ensured by regulating cryptocurrency and digital payment systems according to Islamic financial principles.

The financial advantages of Islamic e-business transactions among Muslim communities in Northwestern Nigeria have been evaluated in a number of studies. According to Lorien et al. (2022), Muslim entrepreneurs, especially those in the textile and agriculture industries, have benefited financially from digital business platforms. Nonetheless, Noor et al. (2013) pointed out that a lot of Muslims in the area struggle with digital literacy and worry about fraudulent online transactions.

There has been much written about the difficulties of Islamic e-commerce. According to Muhammad et al. (2019), fraud and non-compliance with Islamic ethical norms are caused by Nigeria's absence of regulatory frameworks to oversee Islamic e-business platforms. Furthermore, Suhaimi, et al. point out that the lack of appropriate Shari'ah-compliant e-payment gateways increases the possibility of conducting haram activity.

Ribadu & Wan (2019) used a comparative technique to analyze the distinctions between traditional and Islamic e-business models. According to their findings, traditional digital firms place a higher priority on profit maximization, while Islamic e-commerce places more emphasis on moral considerations, equitable profit-sharing, and non-exploitative transactions.

The adoption of Islamic e-business is greatly influenced by the socioeconomic circumstances in Northwestern Nigeria. With a largely agrarian economy, high rates of poverty, and poor literacy, the region lacks as much digital infrastructure as other regions of the nation (Ardo et al., 2024). Business processes are also influenced by cultural and religious considerations, with a particular focus on trust-based transactions and Islamic moral ideals (Muhammad et al., 2024a). Rural areas continue to have limited connectivity and insufficient digital education, despite data on digital literacy and internet access showing rising smartphone prevalence and mobile banking adoption.

In a study by Muhammad et al. (2024b) found that respondents expressed confidence in halal-certified companies and Islamic payment gateways, indicating that consumers generally had favorable faith in Islamic e-business transactions. Nonetheless, issues were brought up regarding fraud, insufficient regulation, and feeble dispute resolution procedures. The substantial relationship between SME performance and adherence to Islamic business norms, with companies using Shari'ah-compliant models seeing increases in customer loyalty and market share (Muhammad et al. 2025). Significant obstacles include restricted access to halal fintech solutions, insufficient government backing, and technological and regulatory hurdles.

By providing empirical insights into the incorporation of Islamic ethics in digital commerce, this study advances knowledge and assists entrepreneurs, financial institutions, and regulators in developing a regulatory framework for Shari'ah-compliant e-business in Nigeria. Additionally, it offers doable

suggestions for boosting SME expansion via training in ethical business practices, better internet access, and digital financial literacy initiatives.

Based on recent research findings and analysis, several critical research gaps exist in the assessment of Islamic e-business transactions among SMEs in Northwestern Nigeria. Here's a comprehensive overview of these gaps:

Financial Access Gaps: Limited Islamic financing options for Muslim entrepreneurs, particularly affecting e-business adoption. There is need for research on Sharia-compliant digital payment solutions specifically designed for SMEs

Business Model Gaps: Limited understanding of Islamic e-business models specifically adapted for Nigerian context, need for research on halal product verification processes in digital commerce

Educational and Awareness Gaps: There is gap in studies examining Islamic supply chain management in e-business, insufficient research on Islamic finance literacy among SME operators, need for studies on digital skills development within Islamic business framework

These research gaps highlight the need for comprehensive studies that address both theoretical frameworks and practical implementation challenges specific to Northwestern Nigeria's context. Future research should focus on developing region-specific solutions that align with Islamic business ethics while leveraging modern e-commerce technologies.

According to the examined literature, Muslims in Northwestern Nigeria are increasingly engaging in Islamic e-business transactions. These transactions create both financial opportunities and difficulties with regard to ethical compliance, digital literacy, and regulatory oversight. Scholars concur that if e-commerce models are appropriately controlled and in line with Islamic ethical norms, they can flourish.

The adoption of e-business in Northwestern Nigeria, a predominantly Muslim region, is increasing due to internet penetration, mobile technology advancements, and demand for Sharī'ah-compliant solutions. However, challenges like limited awareness and infrastructure hinder its adoption. This paper assesses Islamic e-business transactions, focusing on their alignment with Sharī'ah principles and socio-economic implications, highlighting their potential for financial inclusion, economic empowerment, and ethical commerce. Therefore, the goals of the research are to evaluate the degree of Islamic conformity in Northwestern Nigerian SMEs' online transactions, to assess how Islamic e-business practices affect the performance of SMEs and customer confidence, to determine the opportunities and difficulties related to the implementation of Islamic e-business concepts and to make policy suggestions for improving Nigeria's digital business frameworks that adhere to Shari'ah.

B. Research Methods

This study examines the Assessment of Islamic E-Business Transactions in Small and Medium-sized Enterprises (SMEs) and their Impact on Muslims in Northwestern Nigeria. A mixed-methods research approach will be employed, combining quantitative surveys and qualitative interviews to provide a well-rounded assessment.

1. Research Design

A descriptive survey research design will be used to assess the level of compliance of SMEs with Islamic e-business principles and their impact on Muslim entrepreneurs and consumers. The study will use a cross-sectional approach, collecting data at a specific point in time.

2. Population and Sample Size Determination

The target population consists of Muslim SME owners and managers engaged in e-business in Northwestern Nigeria and Muslim consumers who regularly engage in online transactions.

3. Sample Size Calculation

The sample size will be determined using Krejcie and Morgan's (1970) sample size determination table for a known population size. If the estimated number of e-business SMEs in Northwestern Nigeria is 10,000, a sample size of approximately 370 SMEs will be appropriate at a 95% confidence level and a 5% margin of error.

For qualitative interviews, a sample of 30 informants will be selected using purposive sampling, ensuring that participants represent diverse sectors such as e-commerce, fintech, halal services, and digital marketing.

4. Sampling Technique and Criteria

A purposive and stratified sampling technique will be employed to ensure a fair representation across states and business sectors.

1) Purposive Sampling Criteria for SMEs

- a. Must be registered with the Corporate Affairs Commission (CAC).
- b. Must conduct online transactions (e.g., website, social media, mobile apps).
- c. Must adhere to Islamic ethical business principles (e.g., avoidance of riba, gharar, and haram products).
- d. Must have been in operation for at least one year.

2) Purposive Sampling Criteria for Consumers

- a) Must be Muslim and have experience in Islamic e-business transactions.
- b) Must have engaged in online transactions at least five times in the last six months.
- c) Must be residing in Northwestern Nigeria.

5. Steps to Minimize Bias

- a) Randomization of survey respondents to avoid researcher influence.
- b) Inclusion of SMEs from different industries to avoid sector bias.
- c) Anonymity of responses to ensure participants provide honest answers.
- d) Pilot testing the questionnaire to refine ambiguous questions.

6. Data Collection Methods

1) Questionnaire Development and Administration

A structured questionnaire will be developed to capture quantitative data. The questionnaire will be divided into five sections:

- a) Demographic Information (Age, gender, education level, SME sector).
- b) Nature of E-Business Transactions (Platform used, payment methods).
- c) Compliance with Islamic Business Principles (Presence of riba, gharar, haram products).
- d) Consumer Trust and Satisfaction (Perceived reliability of Islamic e-business).
- e) Challenges and Opportunities (Market expansion, regulatory concerns).

The questionnaire will use Likert-scale questions (1-5) for compliance and perception-related responses and multiple-choice questions for demographic data.

2) Interviews with Key Informants

A semi-structured interview guide will be used for in-depth qualitative insights. The interviews will last 30–45 minutes per participant.

Key Informants Include:

- a) SME owners and managers (15 informants).
- b) Islamic finance experts (5 informants).
- c) Consumers who engage in Islamic e-business transactions (10 informants).

Interview Questions Cover:

- a) Awareness of Islamic business ethics in e-business.
- b) Compliance challenges and government regulations.

- c) Consumer perceptions of trust and fraud risks.
 - d) Impact of Islamic e-business on economic well-being.
7. Data Analysis Techniques
- 1) Quantitative Data Analysis (Survey Data)
Descriptive Statistics: Used to analyze frequencies, means, and percentages.
Inferential Statistics:
Chi-square test: To determine the relationship between compliance and consumer trust.
Regression analysis: To assess the impact of Islamic e-business transactions on SMEs' performance.
Software: SPSS (Statistical Package for Social Sciences) will be used.
 - 2) Qualitative Data Analysis (Interviews)
A thematic analysis approach will be employed using NVivo software.
Process of Thematic Analysis
Data Transcription: Audio interviews will be transcribed verbatim.
Coding: Key phrases and responses will be labeled based on relevance.
Categorization: Codes will be grouped into broad themes, such as "Consumer Trust," "Compliance Challenges," and "Growth Potential."
Pattern Identification: Recurring insights will be noted and interpreted.
Findings Validation: Cross-checking with survey results for consistency.
8. Ensuring Reliability and Validity
- 1) Reliability (Consistency of Results)
Pilot Testing: The questionnaire will be tested with 30 respondents before full deployment to refine unclear questions.
Cronbach's Alpha Test: Used to measure the internal consistency of Likert-scale responses (acceptable threshold: ≥ 0.7).
 - 2) 6.2 Validity (Accuracy of Measurement)
 - a) Face Validity: Experts in Islamic finance and business will review the questionnaire.
 - b) Content Validity: Questions will be designed based on established literature and Islamic economic principles.
 - c) Triangulation: Using both surveys and interviews to cross-verify data for a holistic understanding.
9. Ethical Considerations
- 1) Informed Consent: Participants will be informed about the study's purpose.
 - 2) Confidentiality: Responses will remain anonymous and used solely for research.
 - 3) Voluntary Participation: Participants can withdraw at any stage.

This methodology ensures a robust, systematic, and ethical approach to assessing the compliance of Islamic e-business transactions in SMEs and their impact on Muslims in Northwestern Nigeria. The combination of survey data, interviews, and thematic analysis will provide both statistical accuracy and in-depth insights, contributing to a holistic understanding of Islamic e-business in Nigeria.

C. Results and Discussion

1. E-Business in Northwestern Nigeria

E-business is becoming a key factor in changing trade and boosting economic growth in Northwestern Nigeria, an area known for its rich cultural legacy and economic promise. The practice of conducting

commercial operations online, such as purchasing and selling products, offering services, and overseeing supply chains, is known as e-business. The adoption of e-business techniques in Nigeria has been made easier by the country's fast increasing internet penetration and mobile technologies (Muhammad et al., 2024). The Nigerian Communications Commission (NCC) reports that millions of people in both rural and urban areas of Nigeria used the internet in 2023, with a penetration rate of over 50%.

States like Kano, Kaduna, Sokoto, Kebbi, Katsina, Zamfara, and Jigawa are located in Northwestern Nigeria. The economy of the area is mostly based on agriculture, with a significant focus on trade and commerce. As commercial centers, major cities like Kano and Kaduna provide an ideal environment for the expansion of e-business. Businesses now have new avenues to reach clients because to the growth of local platforms and online marketplaces like Jumia and Konga.

E-business models have become more and more popular among small and medium-sized businesses (SMEs) in the area. For example, Kano's local textile vendors increasingly advertise their goods on social media sites like Instagram and WhatsApp, reaching clients outside of the area. Due to the digital revolution, companies may now reach a wider audience and improve efficiency.

2. E-business Opportunities in Northwestern Nigeria

E-business presents Northwestern Nigeria with substantial prospects for economic expansion. First, it makes markets more accessible to rural farmers and craftspeople, allowing them to reach a wider market with their goods. Second, it encourages entrepreneurship and creativity, especially in young people. There is a sizable pool of prospective digital entrepreneurs in the area due to its high youth population. Third, supply chains are streamlined by e-business, which lowers expenses and boosts productivity for companies across a range of industries (Uddin, 2015).

Initiatives from the Nigerian government, such the National Digital Economy Policy and Strategy (2020–2030), help e-business expand. According to the Federal Ministry of Communications and Digital Economy, these policies are intended to foster innovation, advance digital literacy, and strengthen digital infrastructure.

3. Challenges Facing E-Business in Northwestern Nigeria

For Northwestern Nigeria, e-business has enormous potential since it presents chances for expansion and economic change. Businesses and individuals, however, find it challenging to completely adopt the digital economy due to a number of obstacles. Among the main difficulties are:

i. Limited Digital Infrastructure

The expansion of e-business in Northwestern Nigeria is severely hampered by the region's limited digital infrastructure, which makes it difficult to conduct smooth online transactions due to low internet penetration, unstable electrical supplies, and a lack of technological equipment. Satar & Kassim (2020) claim that the area has poor broadband availability, which restricts companies' capacity to use e-commerce platforms efficiently. Furthermore, Sukmana (2020), study emphasizes the ongoing problem of an unreliable power supply, which forces companies to depend on costly alternative energy sources like generators.

Many small and medium-sized businesses (SMEs) find it difficult to incorporate digital payment systems and online marketing techniques, which is made worse by a lack of proper ICT infrastructure and digital literacy. As a result, the region's economic prospects and growth are constrained by the slow adoption rates of e-business solutions caused by these infrastructure deficiencies.

ii. Insufficient proficiency in digital literacy

In Northwestern Nigeria, a major obstacle to the expansion of e-business is low digital literacy. A significant obstacle to the region's adoption of digital commerce is the consumers' and business owners' poor comprehension of fundamental digital tools and online transaction procedures.

Low engagement in the digital economy is a result of many SMEs' difficulties utilizing digital marketing, online payment systems, and e-commerce platforms. The digital divide is made worse in many rural populations by a lack of formal education and insufficient exposure to digital literacy programs.

iii. Security and Trust Issues

The acceptance and expansion of e-business in Northwestern Nigeria are severely hampered by trust and security concerns. The authors contend that consumers are deterred from making purchases online by the

absence of strong cybersecurity safeguards, the prevalence of online fraud, and the widespread mistrust of digital payment methods. Similar to this, Redzuan, et al. stress that a large number of people in the area believe that e-business platforms are untrustworthy because of instances of phishing attempts, identity theft, and inadequate data security measures. Because consumers frequently worry about losing their financial information to cybercriminals, the survey also shows that companies that operate online have difficulty gaining the trust of their clientele.

iv. Regulatory and Policy Difficulties

The expansion and viability of e-business in Northwestern Nigeria are impeded by notable regulatory and legislative obstacles. Rafay et al. (2020) claim that bureaucratic red tape, insufficient legal frameworks, and inconsistent government policies make it difficult for digital entrepreneurs to operate in the area. They point out that consumer confidence and company growth are constrained by the lack of clear e-commerce rules and data protection requirements. In a similar vein, Khan et al. (2021) contend that the e-business environment is made more complex by high taxes, convoluted licensing procedures, and shifting internet governance regulations. They stress that local businesses find it challenging to compete with international e-commerce platforms because legislative uncertainty deters investment and innovation.

4. Socio-Economic Benefits of E-Business in Northwest Nigeria

i. Job Creation and Economic Empowerment: E-business has helped create new job opportunities, especially for women and youth in Northwest Nigeria. The growth of digital platforms such as mobile apps, freelance websites, and online marketplaces has given Muslims in the area ways to make money, often avoiding the traditional barriers of geography and limited physical infrastructure. Online retail businesses, such as those selling locally produced goods, have thrived, giving sellers access to markets beyond their immediate communities.

ii. Financial Inclusion: E-business transactions have enabled Muslims to engage in financial activities, such as saving, investing, and transferring money, in a way that is consistent with their religious beliefs, which has not only facilitated personal financial growth but also encouraged the development of small businesses. **iii. Access to Goods and Services:** E-business has also improved access to goods and services that might otherwise be unavailable in rural or underserved areas. In the past, many people in this region have been excluded from formal banking due to limited infrastructure or Islamic banking principles.

Muslims in the area can obtain a broad range of goods, from medical supplies to educational resources, via websites such as Jumia and Konga. Many people in Northwest Nigeria now live better lives thanks to the ease of access to goods and services, especially in rural areas where there are few physical stores.

5. Socio-Economic Challenges of E-Business Transactions

i. Inequality and the Digital Divide

E-business transactions have many advantages, but they can make socioeconomic inequality worse. In Northwest Nigeria, where a sizable section of the populace lacks access to dependable internet or cellphones, the digital divide is a serious problem.

Since those without access cannot take advantage of e-business opportunities, this digital divide leads to inequity. Integration into the digital economy is particularly difficult for Muslims living in rural areas, many of whom reside in isolated locations. This isolation could impede these communities' economic progress and prolong poverty.

ii. Risks of Fraud and Cybersecurity

Cybersecurity risks and online fraud have increased as e-business has grown. These risks are a serious problem for Muslims in Northwest Nigeria, many of whom lack sufficient knowledge about internet safety procedures (Hassan et al., 2021). The surge in fraudulent activities, such as phishing, identity theft, and scams, has resulted to financial losses for many individuals

Small business owners that depend on e-business for their livelihood are especially susceptible to cybercrime, which erodes confidence in digital platforms.

iii. Religious and Cultural Issues

E-business transactions must adhere to Islamic norms for Muslims in Northwest Nigeria, such as avoiding interest-based transactions (riba) and making sure that company activities are morally upright. The region's e-commerce boom has sparked debate about whether some online transactions that can contravene Islamic

law are acceptable. Even if halal investment platforms and other e-business models have incorporated Islamic financial principles, some Muslims remain skeptical and have little knowledge of these concepts (Hassan et al., 2021).

The complete integration of e-business into Northwest Nigeria's socioeconomic fabric may be hampered by this conflict between contemporary e-business practices and traditional Islamic ideals.

6. Difficulties Faced by Muslims in Northwestern Nigeria in Islamic E-Business Transactions

i. Insufficient Knowledge and Instruction

Lack of knowledge and comprehension of Sharu'i'ah-compliant activities is one of the biggest obstacles Muslims in Northwest Nigeria encounter while attempting to participate in Islamic e-business. Many people find it challenging to accept and use online business platforms that purport to be in compliance with Islamic law because the conventional business climate in the area has not fully incorporated contemporary technological solutions. Potential entrepreneurs' access to this industry is further restricted by the lack of instructional materials in the area about the complexities of Islamic finance and e-commerce.

ii. Issues with Security and Trust

Even with Islamic e-business's potential advantages, trust is still a major obstacle. A lot of Muslims in Northwest Nigeria are reluctant to do business online because they are worried about the safety of online transactions. Trust in Islamic e-business platforms may be weakened by cybersecurity problems such as fraud, identity theft, and data breaches (Ijaiya et al., 2021). Furthermore, the issue of guaranteeing Sharu'i'ah compliance in online transactions is made worse by the dearth of trustworthy, accredited platforms that provide unambiguous guarantees that their offerings don't contain forbidden components like *riba* or *maysir*.

iii. Insufficient Facilities

The absence of sufficient technology infrastructure in Northwest Nigeria is another significant issue. Even though e-business has been booming in many parts of the world, the region is plagued by unstable electricity, limited access to digital payment systems, and poor internet connectivity. The extensive use of e-business solutions by Muslims in the area is impeded by these infrastructure constraints. Without stable access to the internet and secure payment gateways, e-business cannot reach its full potential.

iv. Regulatory and Legal Issues

The regulatory environment for e-business in Nigeria is still developing, and the lack of clear Shar'i'ah - compliant legal frameworks for e-commerce transactions complicates matters. Uncertainty about which services are actually Sharu'i'ah-compliant frequently results from the lack of a unified regulatory framework to govern Islamic e-business platforms (Drissi & Guerguer, 2023). Because of this legal uncertainty, Muslim business owners may be discouraged from fully embracing the e-business environment out of concern that their actions might unintentionally violate Islamic principles.

7. The Potential Benefits of Islamic E-Commerce for Muslims in Northwest Nigeria

i. The growth of the online marketplace

Notwithstanding the difficulties, Islamic e-enterprise presents many prospects, particularly for business owners in Northwest Nigeria. As mobile devices and internet usage increase, more people are using online platforms, which is driving up demand for Islamic e-business solutions.

E-business platforms offer the chance to enter a specialized but growing industry by meeting the need for Sharu'i'ah-compliant goods and services, which will benefit both customers and companies (Biancone & Radwan, 2019).

ii. Local Entrepreneurs' Empowerment

By giving them access to a larger consumer base outside of their own geographic area, Islamic e-enterprise can strengthen small company owners in Northwest Nigeria. Small and medium-sized businesses (SMEs) can sell Sharu'i'ah-compliant products and services to both domestic and foreign markets by using online platforms. Especially in underprivileged rural areas, this might greatly strengthen local economies and generate new employment prospects (Alam, 2022).

iii. Financial Inclusion

The emergence of Islamic e-business offers a chance for increased financial inclusion, particularly for Muslims who are barred from traditional banking systems for religious reasons. Islamic financial services, such as mudharabah (profit-sharing), murabaha (cost-plus financing), and takaful (Islamic insurance), can be incorporated into e-business platforms, providing Muslims in Northwest Nigeria with access to ethical financial services that could help close the gap between the unbanked and the larger financial system (Azmi & Thaker, 2020).

iv. Cross-Border Trade and Collaboration

The global nature of the internet creates opportunities for cross-border trade, allowing Muslims in Northwest Nigeria to interact with Islamic e-businesses around the world, fostering international partnerships and collaborations. This can entail obtaining Halal goods from other countries and marketing them to regional customers. Furthermore, fintech solutions are being adopted by Islamic financial institutions globally, which makes it possible for Nigerians to participate in global financial markets that adhere to Shari'ah.

v. Encouragement of Moral Consumption

Islamic online businesses can encourage ethical consumption, which is an increasing trend among customers who are more aware of their ethical, social, and environmental impact (Akbar & Siti-Nabiha, 2022). E-business platforms can draw in moral customers from the Muslim community and beyond by providing goods that follow Islamic law, such as Halal food, apparel, and banking services. This supports the worldwide push for ethical and sustainable business practices (Adeleke & Alabede, 2022).

In a general summary, the study found that although Islamic e-business transactions among SMEs in Northwestern Nigeria are increasing, there are still several obstacles in the way of complete adherence to Islamic business principles. Some businesses find it difficult to deal with the complications of gharar (extreme uncertainty) in digital transactions, however many SMEs include Shari'ah-compliant business methods, especially in avoiding riba (interest) and haram products. The results show that the majority of SME owners know very little about Islamic financial rules, which emphasizes the necessity of training and awareness campaigns to improve compliance. The majority of respondents expressed confidence in halal-certified companies and Islamic payment gateways, indicating that consumers generally have positive opinions of trust and happiness in Islamic e-business transactions. Nonetheless, issues with fraud, inadequate regulation, and dispute resolution procedures were brought up. According to the study, firms' trustworthiness and openness have a big impact on consumer trust, which suggests that SMEs that carefully follow Islamic standards have more loyal customers.

The performance of SMEs and adherence to Islamic business ethics were found to be strongly correlated by statistical analysis. Compared to those using traditional models, SMEs that use Islamic financial instruments like Murabaha (cost-plus financing) and Mudaraba (profit-sharing investments) have shown improvements in their financial stability and market expansion. The report also found that the region's complete adoption of Islamic e-business principles is hampered by a number of technological and legal obstacles, such as restricted access to halal fintech solutions and insufficient government assistance.

SME owners and Islamic finance specialists emphasized the significance of legislative interventions to foster a favorable environment for Shari'ah-compliant e-business, according to qualitative findings from interviews, which corroborated these observations. According to the report, government organizations, religious experts, and Islamic financial institutions ought to work together to create frameworks that assist SMEs in implementing moral digital business models. All things considered, the study emphasizes how Islamic e-business can propel economic expansion while promoting stricter regulations, more financial literacy, and technology developments to guarantee its viability in Northwestern Nigeria.

D. Conclusion

According to an analysis of Islamic e-business transactions and how they affect Muslims in Northwest Nigeria, the Muslim community is increasingly using digital platforms. The study emphasizes how Islamic principles are incorporated into e-commerce procedures to guarantee that these transactions comply with Shari'ah law. It is clear that the region's usage of e-business platforms has helped Muslims access markets more widely, become more economically empowered, and enjoy greater convenience. But problems like digital illiteracy, distrust, and the requirement for stronger regulatory frameworks continue to exist. Because it promotes ethical business practices in accordance with Islamic beliefs and provides chances for greater

financial inclusion, the impact on the community has been mainly positive. E-business's impact on Muslims in Northwest Nigeria highlights how technology can be used to build inclusive, Sharu'ah-compliant business environments. To lessen the difficulties experienced by users and businesses, more knowledge, technology infrastructure, and regulatory control are still required despite these encouraging advancements.

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