DROPSHIPPING IN ISLAMIC ECONOMIC LAW PERSPECTIVE: E-COMMERCE STUDY INTER MARKETPLACE DROP SHIP IN THE INDUSTRIAL REVOLUTION ERA 4.0

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Abstract: Drop shipping is a business carried out by someone as an intermediary between suppliers and customers. This business has become a big trend in the market because it has the potential to get massive profits. However, there is still an assumption that the business is not following the teachings of Islam. This research will discuss the concept of drop ship in general and the latest drop ship that becomes the current market trend, namely drop shipper between marketplaces is. This study uses qualitative research methods that are literature research. The discussion of this research will focus on normative-juridical studies given Sharia Economic Law. This research is expected to be opened insight for the drop shipper so that the profits and success of his business will be blessed by Allah s.w.t. After the data is collected, it is then analyzed using data analysis techniques, namely data reduction, data presentation, and concluding. The results showed that the drop ship business between marketplaces did not conflict with Islamic teachings, meaning that the business was following the Sharia economic agreements. The business is legal and religiously legal in the State of Indonesia. Therefore, the community must understand the business from management, systems, and payments to be following existing contracts. If the business continues to be developed, it will become a superior and growing halal business in the world.

Keywords: Drop ship, E-Commerce, Marketplace, Sharia Economic Law

Introduction

Today, humans are facilitated in all aspects of the economy and new behavior. Some of them are the existence of cyberspace to be accessed anywhere, anytime, and by anyone. Then from there, emerge at least human actions or behavior to develop a more prospective and business-oriented world (Holijah, 2015; Melis, 2018; Witro, 2019b).

Discussing the business world, especially in buying and selling, is very interesting, especially since the world has entered the era of the industrial revolution 4.0. Buying and selling activities in the digital age have been divided into two types, buying and selling systems offline and online. As is known, buying and selling offline systems have been known since the time of the Prophet s.a.w. until the era of globalization. While buying and selling online systems are breakthroughs that are felt to be active and efficient and are more comfortable in the process (Fitria, 2017).

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According to a survey conducted by the Indonesian Internet Service Providers Association (APJII) in 2018 showed a total of Indonesian internet users reached 171.17 million users (APJII, 2018; Witro, Azmiya Putri, & Oviensy, 2019). APJII also stated that the rapid growth of internet users in Indonesia also had an impact on the growth and development of internet-based business transactions (e-commerce). This means that it is no longer a necessity that online business or buying and selling systems will be able to compete with the existence of the offline market in the archipelago. In 2020 We are Social, and Hootsuite reported that Indonesian internet users reached 64% or equal to 174 million people from the total population of Indonesia (Wearesocial.com, 2020; Yusuf et al., 2020).

In the development of the internet, the term industrial revolution 4.0 (disruptive technology) is known as a breakthrough and a new style (innovation) that enhances products or services in unexpected ways and changes the way they are used or marketed. Industrial Revolution 4.0 is a term coined for the first time in Germany in 2011, which was marked by a digital revolution. This industry is a digitally connected industrial process that includes various types of technology, ranging from 3D printing to robotics, which is believed to be able to increase productivity (Satya, 2018). This does not escape from the modernization of the age, knowledge, and urgency of relations or partners. One form of existence that is proliferating with technological disruption is the business economic activities that involve other people (intermediaries) in the buying and selling activities. This kind of activity in the modern world is better known as a drop ship.

Drop ship is a muamalah activity where someone sells only with a picture without any ownership rights in the goods. This drop ship is also the answer to a system with small traders, impromptu traders, and someone who just wants to try trading but does not have enough capital. Drop shipper or drop ship actors are often referred to as brokers, intermediaries, and others (Hasanah, 2019).

Drop ship actors take product photos and product descriptions that already exist in the online store to be uploaded back to another marketplace that previously the drop ship players have created an online store account. If later, some consumers or buyers wish to buy goods or products from suppliers through the drop shipper, the buyer is allowed to make payment in advance. After this is done, the drop shipper provides information to the supplier or owner of the goods to send the product ordered from the buyer. That is, the owner of the item will send the ordered item to the buyer by including the name of the drop shipper concerned as the identity of the sender (Iswidharmanjaya, 2012).

Then, the drop ship business is convinced to be a sharia economic business that can be side by side with popular businesses in general. This is evidenced by the state of Indonesia, including the largest Muslim category in the world (Witro, 2020a). This shows the enthusiasm of Muslims that sharia business will increase higher than other businesses because the quality or container owned by sharia drop ship is following the principle: customer-oriented, transparency, and fair competition that is not owned by businesses in general (Norvadewi, 2015). This potential is a significant capital for the economic development of the people in the future. Besides, Islamic business is
proven to be a business that has survived during the economic crisis that hit the Indonesian nation (Akbar & Lidyah, 2013; Ali, 2008).

However, the drop ship business still has pros and cons among the people. On the one hand, it is assumed that the drop ship is following the teachings of Islam, but on the other hand, it is assumed that the drop ship never holds the goods, meaning that the drop shipper has no power over the goods for sale, and acts dishonestly on the shipping label of the goods as if the drop shipper is the owner and real shipper. These arguments need to be straightened up so that there is clarity of the contracts that are used in this business system because business is one of the most important forms of activity in the field of *muamalah*, the implication of humans must know how it works and the process both in terms of implementation to moral variety (Mardani, 2014). Sharia business is a trend that is very prospective to be developed because seeing the majority of Indonesia’s population is Islam. So that collaboration between business and religion becomes a much more secure business solution today.

From the explanation above, it is exciting to study how the concept of the drop shipping business, especially drop ship between marketplaces, is currently a trend in the market. This research will understand the concept of drop shipping and recommend whether a drop shipping business between market places is following the teachings of Islam.

**Research methods**

This study uses qualitative research methods that are literature research (Sugiono, 2009). The data in this study were obtained from articles published in accredited national and international journals, than from books, research reports, magazines and internet websites related to drop ship, e-commerce, and marketplaces of the industrial revolution era 4.0. The discussion of this research will focus on normative-juridical studies given Sharia Economic Law. This research is expected to be opened insight for the drop shipper so that the profits and success of their business will be blessed by Allah s.w.t. After the data is collected, it is then analyzed using data analysis techniques, namely data reduction, data presentation, and concluding (Miles & Huberman, 1984).

**Discussion and Results**

**The Concept of Drop shipping Between Marketplace in E-Commerce**

Drop ship is a business that is very popular with adults, an exciting thing in this business can be done without capital at all (Iswidharmanjaya, 2012). In general, there are two kinds of drop ship business: 1) Drop shipper sells goods at a price determined by themselves, by buying goods to the supplier. Here the perpetrators must have capital first, which is then sold back to the customer. 2) Determined by the supplier in the initial agreement, here, the drop shipper can have no capital at all because its position is only as of the second supplier of the original supplier. Both types can be essential references for actors who are just starting this business because both have advantages and disadvantages to each.

Drop ship business is a business that is carried out through intermediaries from actual or original suppliers with customers, the culprit is referred to as a drop shipper. The process, the perpetrators (drop shipper),
only have capital attached to photos in other places or shops with specifications (goods and prices) that have been set together. The exhibited items are the fabric of cooperation with other parties (Sulianta, 2014). The seller’s profit as a drop shipper is obtained from the difference at a price from the supplier to the drop shipper with the price of the drop shipper to the buyer. In this system, consumer’s first pay in cash or transfer to a drop shipper account.

Furthermore, the drop shipper pays to the supplier according to the purchase price of the drop shipper accompanied by the shipping cost of the goods to the customer’s address. Drop shipper is obliged to submit consumer data in the form of the name, address, and telephone number to the supplier. If all the procedures are fulfilled, the supplier then sends the goods to the consumer.

The business of buying and selling with the drop shipping system has several advantages for the drop shipper compared to other systems, namely (Badri, 2015): 1) The Drop shipper benefits from its suit marketing the goods belonging to the supplier; 2) Does not require significant capital to run this system; 3) Drop shipper need not provide office and warehouse of goods; 4) Drop shipper can run this system, even without having high education, as long as they can surf in cyberspace; 5) Drop shipper is free from the burden of product packaging and distribution; 6) Drop shipper can run this business anytime and anywhere because this system knows no time or space limits. Besides, this system can create new jobs with an extensive market network and various conveniences in it, making this business one of the most promising business opportunities.

In short, the drop ship takers take product photos and product descriptions that are already in the online store to be reuploaded in other marketplaces where previously, the drop ship players have created an online store account. In the future, some consumers or buyers wish to buy goods or products from suppliers (through a drop shipper), the buyer is allowed to make payment in advance. After this is done, the drop shipper provides information to the supplier or owner of the goods to send the product ordered from the buyer (Iswidharmanjaya, 2012). Therefore, it is merely that the concept of drop shipping will never change. It is just that it can be done through different media, whether or not the potential for profit is seen from the scope of the media used. From this review, it can be interpreted that the drop shipping done through online applications is more in control of the business world because the scope is enormous and has excellent profit potential as well.

**Drop ship and Economic Empowerment in the Industrial Revolution Era 4.0**

The emergence of the Industrial Revolution 4.0 brought a very rapidly changing era. Industry 4.0 can be interpreted as an industrial era in which all entities in it can communicate with each other in real-time at any time based on the use of internet and GPS technology to achieve the goal of achieving new value creations or optimizing existing values from every process in the industry. Have much great potential but also has significant challenges as well. The challenges are five, from the aspects of knowledge, technology, economy, social, and politics. In achieving these challenges, the
realization of hard work, planned, and strategic efforts in terms of regulators, academics, and practitioners are needed (Prasetyo & Sutopo, 2018).

The aspect that is currently being actively developed is the economic and technological aspects, one form of success is the emergence of websites or start-ups that are connected online in an extensive scope. One of Indonesia’s most popular marketplace websites is Tokopedia, Shopee, Bukalapak, and Lazada (Soekiman, Baktiono, & Artaya, 2018). Of the four marketplace sites, a promising business opportunity has emerged for business people. Business actors who do not have a large enough capital can do a drop ship that takes place in an online system (e-commerce).

E-commerce is a transaction process that is done through the media or intermediaries in the form of online buying and selling sites or social networks that provide goods or services that are traded. Now online shopping has become a habit for some people, because of the convenience provided. E-commerce sites in Indonesia can be categorized based on their business model. One of them is the C2C Marketplace (customer to customer) is a business model where the website in question not only helps promote merchandise but also facilitates online money transactions. Buying and selling activities on the marketplace website must use online transaction facilities such as escrow services or third-party accounts to ensure transaction security. The seller will only accept payment money after the item is received by the buyer (Suyanto, 2003).

The development of e-commerce today, affecting the progress of the drop shipping business, increasing e-commerce also increases the potential it has. Because the drop ship business is a business that can be done by anyone, only with promotion to the customer, without the customer knowing directly who the real supplier is (Sulianta, 2014). As a result, the business has not only become a name but has become a huge market trend, so that if the business is packaged, managed and implemented well, it will become a very potential business in the era of the industrial revolution 4.0. Besides, this business can also affect the economic progress of the people, depending on how to manage it and socialize the business correctly and adequately.

Proper drop ship management will significantly influence the Indonesian economy and have the opportunity to overcome unemployment. It is proven by the various goods sold in various market places that have the potential to be resold in other applications so that the benefits are mutualism between suppliers and drop shippers. The trading system with the drop ship if it is packaged into a product using proper management and marketing management will potentially become a significant profit. Improving product quality and extensive socialization are essential ingredients to make drop ship quality halal product integrity and have a broad orientation in this disruptive era (Bariroh, 2016).

The existence of cyberspace with all forms of diversity of features has made some people use it with productive and innovative styles. This modern era has also brought many changes in terms of buying and selling, such as utilizing the internet so that the transaction process is increasingly accessible and fast. In the course of the online business world today, everything that is based on Islamic principles will reap virtue in the future. In the drop ship activity, there are elements and contain virtue values in which they do not oppose the Islamic Sharia. Among other things, please help.
Furthermore, drop ship also contains elements of benefit, such as distribution channels that are getting shorter, adding to the network of relationships and business expansion, getting qualified marketers, and operational costs that do not swell. Consumers can determine the needs that will be obtained through several choices of goods (drop shipper) because their existence is not difficult to find. Besides, the benefit of this drop ship activity also opens up promising business opportunities for young people who want to start a business with little capital.

Drop shipping aside from being activity based on help and benefit for the people, it also contains other elements in the form of community empowerment in this disruptive era. That is, with so many internet users, there are some people or companies who then apply the concept of drop ship to massive empowerment (Hamdani, 2018).

According to Widjaja, community empowerment is an effort to increase the capabilities and potential of the community, so that the community can realize its identity, dignity, and dignity to the maximum to survive and develop themselves independently both in the economic, social, religious and cultural fields (Widjaja, 2003; Witro, 2019a). According to I Nyoman, community empowerment, along with the steps, can strengthen institutions or elements of the community to be able to realize independence, progress in mindset, and welfare in a zone of sustainable social justice(Sumaradi, 2005).

The implementation of drop ship in massive community economic empowerment must still have operational standards that are a top priority for a drop shipper. First, drop shipper selects or determines suppliers in an online store in a marketplace and then makes a decision to write permission via chat that has been provided in the marketplace. After the licensing, then the drop ship directly becomes the partner of the supplier in the marketplace. Besides, the number of homemakers who flock to entrepreneurship from the husband’s capital. Initially becoming an e-commerce customer starting from the customer (consumer), gradually evolved into e-commerce actors by way of drop ship (Fauzia, 2015).

Therefore, the drop shipping business has an important role, besides being comfortable, it also does not have much capital in running it. Then, there are also many elements contained in it, especially the teachings of Islam, to help one another in order to empower the economy of the people to reduce the amount of unemployment in Indonesia.

**Inter-Marketplace Drop ship Formulation given Sharia Economic Law**

Talking about the economy, it is not spared by buying and selling, because the system in it dramatically affects the running of the economy both micro and macro in a country. Buying and selling in *Fiqih* terms are interpreted as *al-ba’i*, which means selling, replacing, or exchanging something for something else. Lafadz *al-ba’i* in Arabic is sometimes used to understand the opposite, namely the word *ash-syira* (buy). Thus, the word *al-ba’i* means both sell and buy (Haroen, 2007). Simply put that the sale and purchase is an exchange of goods with other goods between two parties, which are justified by sharia and are mutually agreed upon. The legal basis is in Sura al-Baqarah verse 275 and Sura an-Nisa’ verse 29.

In Islam, when they want to buy and sell, some contracts must be fulfilled by both parties, both the buyer and the seller. The contract that
arises depends on the agreement made between the two. A contract can be interpreted as entering into a binding agreement or a bond for giving and receiving together at one time (Karim, 2004). These agreements include: *murabahah, bai' as-salam, istishna, ijarah, musyarakah,* and *wakalah* (Witro, 2020b). Therefore that the sale and purchase can be said to be legitimate in Islam if it is based on these contracts.

Of the several covenants presented above, two are used in the drop ship business, namely *bai' as-salam* and *wakalah* (Kalbuadi, 2015). Then, the two contracts are divided into two collaborating models, meaning that the drop ship business can be done only on the contract *bai' as-salam* only and can also with both namely *bai' as-salam* with *wakalah*. In principle, the concept of greetings is intended for transactions of buying and selling goods that have not been produced, in other words, *salam* is ordering goods whose specifications have been agreed and the price is paid in cash upfront (advance payment), while the delivery of goods ordered is done later (Purnamasari & Suswinarno, 2011). While *wakalah*, in principle, is the transfer of power by one person as the first party to another person as the second party. In matters represented (in this case the second party) only carry out something limited to the power or authority granted by the first party, but if the power has been exercised as required, then all the risks and responsibilities for carrying out the order are entirely the first party or authorizer (Kalbuadi, 2015).

The First Model, the drop ship business, use the *bai' as-salam* contract model as a whole (Shofiyullah et al., 2008). *Bai' as-salam* contract, namely the sale and purchase agreement of goods made by way of order between the buyer and seller. Specifications and prices of ordered goods must be agreed at the beginning of the contract, while the payment is made in advance in full via transfer (Saprida, 2016). Besides, in articles, 101-102 Compilation of Sharia Economic Laws (KHES), the quantity and quality of goods must be precise both from sales, time, and place. So that consumers, drop shipper, and suppliers do not incur losses from each party. There are two *bai' as-salam* contracts in this business: first, a contract made by a drop shipper with a supplier, both of which carry out buying and selling actions, but the drop ship referred to here is an address sent not in the name of the drop shipper's address, but in the name of the consumer Buy from a drop shipper, here the drop shipper must have capital first to get ownership of the goods or services. Second, the contract is resold by the drop shipper to consumers. This is why it is said that the two contracts in this business, because indirectly the drop shipper already has ownership rights of goods and sold back to consumers, but online.

The second model, by elaborating between the agreement as well as time Drop shipper as the representative of the supplier to sell goods or services to other marketplaces with the agreed specifications. Drop shipper here does not require capital at all, but the fee (profit) obtained from the agreement between the supplier and the drop shipper. Then, after a *wakalah* agreement, the drop shipper promotes the goods or services to the same marketplace or different from the price specifications that have been agreed previously, here between the drop shipper and the customer, the contract occurs *bai' as-salam* by order and the goods or services provided later, and the
customer must pay cash in cash via transfer with proof of online shopping (Kalbuadi, 2015).

Of the two models above, drop ship business people between marketplaces can do it according to the needs of their choice, the two models are valid because they have fulfilled the conditions as the contract previously explained. The perpetrators are expected to continue to use these principles to be following the teachings of Islam. Besides, in sharia-compliant drop shipping, businesses must also be avoided *riba, gharar,* and *maysir,* which is prohibited in this business. It is intended that the business carried out gets God’s approval and has adequate integrity (Sarker, 2001).

**Conclusion**

Drop ship is a business that is present along with the development of science and technology or known as the industrial revolution 4.0 (digital era). Ease in the system and does not have much money to make this drop ship very easy to develop dynamically (following the times of development), the implication of bringing up the latest drop shipping system in the 4.0 revolution era is the drop ship between marketplaces. The system is the same, it’s just that the container is different and more prospects to be developed, Drop shipper only takes a photo from the supplier and then the photo is put back into the same or different marketplace, by setting up its shop on behalf of the drop shipper.

The drop ship business is convinced to be able to affect the economic system of society to minimize unemployment. The broad market reach, does not have much money, and can be enjoyed casually at home makes all people can do this business, there are no special provisions. Therefore, it is beneficial if this business continues to be developed.

It is challenging for people to join the drop ship business because they think that this business still does not meet the criteria of a legal contract that is legally Islamic economics. This business does not violate these provisions. The drop shipping business uses two models: 1) carried out as a whole by the contract *ba’i as-salam,* and 2) done by elaborating between contracts *ba’i as-salam* with *wakalah.* Both of these models have advantages and disadvantages of each, so the community must choose what kind of model that is appropriate to the situation and the respective code. The two models do not violate the provisions of the teachings of Islam, because they are following the agreements that have been explained by the ulama as outlined in the Compilation of Islamic Economic Law (KHES). That is, the business is legally religious and lawful in the State of Indonesia. Therefore, the community must understand the business from management, systems, and payments to be following existing contracts.

**References**


Alphabet.


