




## Exploring the Nexus of Religiosity and Trust in E-commerce: Implications for Purchase Intentions in Pakistan

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### ABSTRACT

This research delved into the influence of religiosity on online shopping, exploring two dimensions: cognitive-based trust rooted in available knowledge and affect-based trust founded on emotional connections. The study considered factors such as ethnicity, education, culture, trust, risk, peer influence, attitude, and more. Notably, there is a scarcity of research in Pakistan on the impact of religion on purchase intention. A qualitative approach was adopted, the paper employs the thematic analysis based on semi-structured interviews, phenomenological technique of reviewing related literature available on e-commerce as well as religiosity, and thematic analysis were done for that number of interviews conducted and recorded. This study lays the foundation for a comprehensive investigation into the integration of Sharia principles within the realm of e-commerce. By examining the current landscape of e-commerce and the challenges faced in ensuring compliance with Sharia principles, this study highlights the critical need for a holistic and integrated approach to address these concerns. The development of relationship between religiosity and purchase intention in Pakistan could be helpful to gain the trust with endorsement of Islamic model of e-commerce. This study could be helpful for the users as well as vendors of the industry.

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## 1. Introduction

E-commerce, or electronic commerce, refers to the online trading of goods and services. This digital platform has transformed business transactions and online shopping. The advent of e-commerce has empowered consumers with access to a diverse array of products and services worldwide, while enabling businesses to extend their market reach beyond physical boundaries (Fernández-Bonilla, Gijón, & De la Vega, 2022; PURCAREA, 2021). E-commerce has its roots in the 1960s when companies initiated the use of Electronic Data Interchange (EDI) for electronic sharing of business documents. (Rahman & Muhammad, 2021). Nonetheless, it was in the 1990s that e-commerce started to capture the attention of consumers. The pivotal moment came in 1991 when the National Science Foundation removed its constraints on commercial internet usage, paving the way for businesses to commence online product sales. The first e-commerce website was created in 1992 by Book Stacks Unlimited, a bookstore in Cleveland, Ohio (Gallaughner, 2002). The site was used to sell books online and paved the way for other businesses to follow suit. In 1994, two significant events took place that helped to accelerate the growth of e-commerce. The first was the launch of Netscape Navigator, the first widely used web browser. This made it easier for people to access and navigates the internet. The second was the first secure online transaction, which was made possible by the introduction of SSL (Secure Sockets Layer) encryption technology (Grishunova, 2022). The internet technology empowers people around the globe to engage in

buying and selling over the internet, doing commercial activities without temporal and spatial boundaries (Fernández-Bonilla et al., 2022). Contemporary communication and information technologies have the potential to bring about alterations in organizational structures and operational procedures, impacting the competitive edge of businesses. (Wigand, 1997). According to Ilesanmi, Adebayo, Adekunle, and Okolie (2020) e-commerce involves The utilization of digital communication and information processing technology in commercial dealings, with the aim of generating, altering, and reshaping relationships to create value among organizations, as well as between organizations and individuals. Other scholars have provided similar definitions of e-commerce. For example, Laudon and Traver (2003) define e-commerce as The procedure of purchasing, vending, transferring, or swapping products, services, or information through computer networks, encompassing the internet.

## 2. Literature Review

In this study this section focuses on critically analyzing the current e-commerce practices according to Islamic financial guidelines, and current studies conducted till date. There are some standard financial guidelines followed by every Islamic country that is discussed in Islamic available literature. The main focus of this section firstly is the assessment of current e-commerce practices in the light of Islamic guidelines. Secondly examine the available researches on E-Commerce itself, as well as its antecedents. Explore the literature of Trust in e-commerce. Lastly analyze the effect of sharia compliance on trust in E-Commerce.

### 2.1. E-Commerce industry in Pakistan

Based on the most recent data provided by the State Bank of Pakistan, the e-commerce sector was projected to account for approximately 1.3% of Pakistan's GDP in the year 2020 (news, 2021). Amid the global impact of the Covid-19 pandemic, e-commerce companies in Pakistan emerged as significant beneficiaries. According to data released by the State Bank, the count of registered e-commerce merchants in Pakistan surged from 1,707 during the 2019-20 period to 3,003 in 2020-21, marking an impressive 76% growth.

**Table 1: E-Commerce Registered Retail Websites in Pakistan**

No.	Category	No of stores online available
1	Clothing and shoes	844
2	Women fashion	30
3	men's fashion	4
4	Baby garments	46
5	kids toys and accessories	75
6	Lingerie's / under garments	3
7	Jewelry and accessories	133
8	Boutiques	19
9	Flower	15
10	Health Services	690
11	Beauty and personal care	167
12	Eyewear	25
13	Kitchen	44
14	Household appliances	12
15	Home accessories	232
16	Hardware	165
17	Electronics	474
18	Food services	467
19	Book store	171
20	Traveling	17
Total		3633

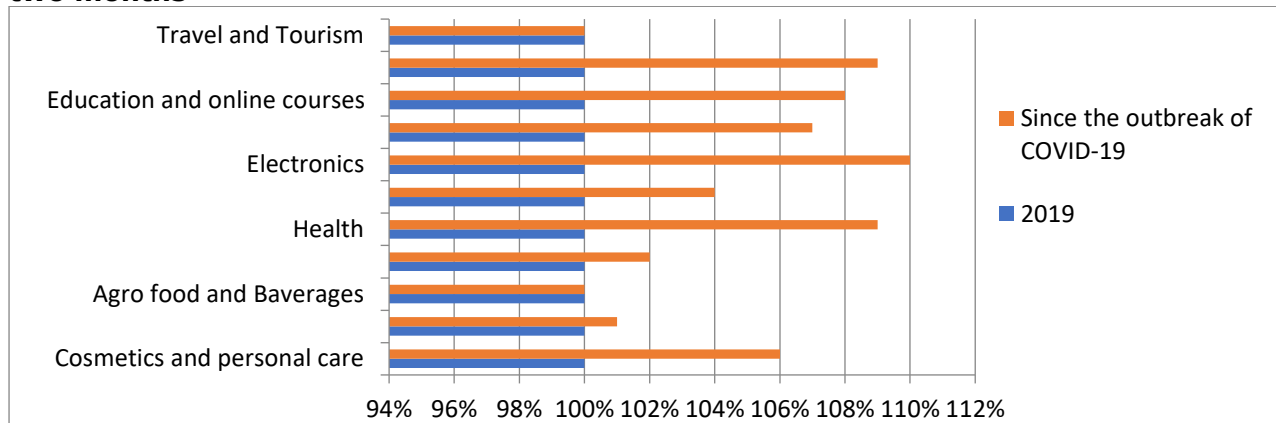
Source: (BuiltWith, 2023)

In 2021, Pakistan secured its position as the 37th largest e-commerce market worldwide, boasting a revenue of USD 5.9 billion, surpassing Iran and trailing just behind Israel. Notably, the Pakistani e-commerce sector experienced a remarkable 45% increase, contributing substantially to the global growth rate of 15% in 2021. (news, 2021; Saeed, 2023). The adoption of e-commerce presents a formidable challenge in numerous developing nations, primarily due to various barriers encompassing cognitive factors, economic constraints, and sociopolitical considerations (Kshetri, 2007). The growth of the e-commerce

industry is notably constrained by factors such as the limited accessibility of credit cards, insufficient awareness and knowledge among potential users, and the intricate nature of legal procedures (Saeed, 2023). There are so many retailers came into the e-commerce form of business in recent years in Pakistan, approximately every retailer started their e-commerce now. Some of the main e-commerce retailers by categories in Pakistan are given above:

During the COVID-19 pandemic, there has been a notable shift in consumer behavior towards e-commerce, leading to the development of new online buying habits. This trend is particularly evident in countries such as Brazil, China, Germany, Italy, the Republic of Korea, the Russian Federation, South Africa, Switzerland, and Turkey, where people have increasingly embraced e-commerce and digital solutions (Kohli, Timelin, Fabius, & Veranen, 2020).

**Figure 1: Percentage of online shoppers making at least one online purchase every two months**



Source: (UNCTAD, 2020)

**Table 2: Top 25 E-Commerce providers in Pakistan (in terms of revenue)**

No.	Name	Revenue (\$)	Growth (%)	Business Share in Pakistan (%)	Category
1	junaidjamshed.com	85.3	18.7	44	Fashion
2	gulahmedshop.com	53.1	9.9	67.7	Fashion
3	limelight.pk	53.1	5.6	64.4	Fashion
4	dvago.pk	29.4	50	100	Food & Personal Care
5	sapphireonline.pk	44.7	30.7	62.7	Fashion
6	naheed.pk	25.2	30.4	100	Food & Personal Care
7	bagallery.com	24.6	46.3	100	Food & Personal Care
8	bonanzasatrangi.com	21.4	10.8	100	Fashion
9	outfitters.com.pk	21.4	16.3	100	Fashion
10	ethnic.pk	27.4	19.2	68.6	Fashion
11	khaadi.com	33.1	13.5	56.8	Fashion
12	beechtree.pk	18.3	14	100	Fashion
13	alkaramstudio.com	26	14.1	66.2	Fashion
14	exportleftovers.com	17.2	7.2	100	Fashion
15	nishatlinen.com	22.5	6.3	75	Fashion
16	mega.pk	12.2	6	100	Electronics & Media
17	czone.com.pk	12.2	15.3	100	Electronics & Media
18	edenrobe.com	14.3	18.4	83.6	Fashion
19	mistore.pk	11.5	21.1	100	Electronics & Media
20	warda.com.pk	10.3	9.1	95	Fashion
21	bata.com.pk	9.7	24.6	100	Fashion
22	dawaai.pk	9.8	35.5	99	Food & Personal Care
23	stylo.pk	9.5	18.9	100	Fashion
24	homeshopping.pk	9.3	-13.7	100	Electronics & Media
25	mariab.pk	9.3	27.5	100	Fashion

Source: (EcommerceDB, 2023)

E-commerce businesses in Pakistan are capitalizing on the lockdown measures and reduced physical market activities. There has been a significant 58% increase in consumer

spending on groceries through e-commerce platforms in the post-lockdown period (Javed, 2020). There has been a notable surge in various sectors, such as food and groceries, telecom and subscriptions, and online shopping. Pakistan's largest online marketplace, 'Daraz.pk,' recorded a remarkable ninefold increase in its online orders since March 2020 (ArabNews, 2020). The e-commerce sector in Pakistan has experienced substantial growth in recent years. The industry's valuation stood at Rs. 51.8 billion in Fiscal Year (FY) 2017, and it surged to Rs. 99.3 billion in FY 2018 (KCCI, 2019). Exhibiting a remarkable expansion of 92%, the electronic payment systems are also experiencing rapid growth in Pakistan. This suggests that there is substantial future potential for e-commerce websites in the country. Among all the e-commerce platforms top twenty five (25) retailers in Pakistan are given in table:

One of the leading data manager website arranged top one million e-commerce players ranked by looking for established and historical premium technology usage on the websites. They sum the average spend of those technologies and produce this list sorted by highest to lowest. From that data analysis this research adopted the top 100 retail websites from their data especially with respect to Pakistan. Moreover, the e-commerce industry has extended its reach beyond the prominent cities of Karachi, Lahore, and Islamabad, thereby expanding its impact.

**Figure 2: E-Commerce Structure in Pakistan**



Source: (Javed, 2020)

Above figure elucidates the e-commerce landscape in Pakistan. A significant portion of e-commerce retailers operates within marketplaces for products, such as Daraz.pk, FoodPanda, Shophive, and online platforms for services like ride-hailing services, including Careem and Uber. In contrast, in India, a substantial share of online services revolves around travel and hotel reservations, which have yet to gain robust traction in Pakistan.

## 2.2. Challenges to E-Commerce Industry

There are so many challenges to E-Commerce industry right now, but our focus is limited to Islamic Sharia, related to the compliance of e-commerce practices. As stated in the previous sections there are five main Islamic issues in e-commerce including:

### 2.2.1. Halal and Haram

E-commerce sites need to ensure that the products and services they offer are permissible (halal) and do not violate any Islamic prohibitions (haram) (Ali, Ishfaq, & Ali, 2021).

### 2.2.2. Secondly interest (Riba)

Islam prohibits the charging of interest or usury in financial transactions. E-commerce businesses need to ensure that their payment and finance practices are compliant with Islamic principles (Ali et al., 2021).

### **2.2.3. Transparency and Honesty**

Islamic principles emphasize the importance of transparency and honesty in all transactions (Al-Kasani, 1986; Ali et al., 2021). E-commerce businesses need to provide accurate and truthful information about their products and services, pricing, and other relevant details. Privacy and Security: Islam emphasizes the importance of protecting privacy and ensuring the security of personal and financial information (Al-Kasani, 1986). And lastly ethical business practices, Islamic principles encourage ethical and fair business practices that benefit society as a whole (Aravik, Marnisah, & Hamzani, 2021). To address these Islamic issues in e-commerce, Aravik et al. (2021) emphasizes that, businesses need to develop policies and practices that align with Islamic principles and values. This can include working with Islamic scholars and advisors to ensure compliance, providing clear and transparent information to customers, and implementing robust security and privacy measures (Miao et al., 2022). Additionally, e-commerce businesses can leverage technology to provide innovative solutions that are compliant with Islamic principles, such as Sharia-compliant investment platforms and halal e-commerce marketplaces (Saeed, 2023).

### **2.3. Factors Effecting E-Commerce Globally**

Than the most important factor is trust and security in e-commerce transection, building trust among consumers is crucial for e-commerce success (Ackerman & Davis Jr, 2003; Saktia, Suwadib, & Waluyoc, 2023). In the absence of trust, all social relationships either deteriorate or operate inconsistently (Patrick, 2002). Trust is defined as the general expectation that a person can trust the words of others (Rotter, 1967; Wiharto, Mariyanti, & Mahfudz, 2021). Patrick (2002) defines customer trust as the thoughts, emotions, feelings, or behaviors exhibited by customers when they have confidence that suppliers will act on their behalf when they relinquish direct control. Morgan and Hunt (1994) and Palmer and Huo (2013) Define trust as the reliance one party places in another due to that party's honesty and credibility. According to Mayer, Davis, and Schoorman (1995) trust is characterized as a party's readiness to open themselves up to the actions of another party with the expectation that the other will carry out a specific action that holds significance for the trusting party, regardless of whether they can oversee or regulate that other party. Gefen, Karahanna, and Straub (2003); Wiharto et al. (2021) describe customer trust as "a customer's belief in a seller's reliability and integrity". McKnight, Choudhury, and Kacmar (2002) define trust as "the belief that an exchange partner is reliable and will act in a manner consistent with one's expectations". Whereas Doney and Cannon (1997) describe customer trust as "a customer's expectation that a seller will perform competently on a particular transaction and will act in a fair and ethical manner". Mayer and Davis (1999) define trust as "the degree to which one party is willing to rely on the other party to perform a specific action in a specific way, which involves some degree of risk." Overall, the definitions of customer trust emphasize the belief that a seller or exchange partner will act in a reliable, ethical, and consistent manner, leading to a willingness to be vulnerable to the actions of that party.

### **2.4. Propositions**

P1: Customer Trust (CT) plays a vital role in E-Commerce Business (ECB)

P2: Sharia Compliance (SC) will play a role of moderator in diffusion of e-commerce and customer trust.

The need to explore Sharia compliant requirements is highlighted through the review of the literature for the purpose of e-commerce systems and therefore comprehensive insights can be provided through this study in order to articulate the guidelines and to resolve the problems as well.

## **3. Methodology**

Qualitative research was undertaken using semi-structured interviews to uncover the significance of trust in the realm of e-commerce. To achieve this objective, convenience sampling was used to select qualitative sample as suggested by (Creswell & Creswell, 2017; Kuzel, 1992). Convenience sampling is suitable for studies seeking participants with comparable characteristics (Ollerenshaw & Creswell, 2002). He additionally proposes that a researcher should pinpoint specific characteristics they are seeking within the target population. In the context of the present research, the researcher sought three primary attributes. Firstly, the interviewee had to be an e-commerce user, secondly, their frequency of

e-commerce usage was assessed, and lastly, their level of education was considered. All three attributes are detailed in the following table.:

**Table 3: Attributes of Interviewee**

No.	Respondent	Gender	Using E-Commerce	Category	Qualification
1	R1	Male	Weekly	User	BS. (Social Sciences)
2	R2	Male	Weekly	User	B.A.
3	R3	Female	Weekly	User	BS. (IT)
4	R4	Female	Daily	User	BBA
5	R5	Female	Daily	User	B.A.
6	R6	Female	Daily	User	BS.
7	R7	Female	Daily	User	B.A.

Source: Developed for this research

For the purpose of this research, primary method of data collection is taken under consideration through semi-structured interviews which will be analyzed in this study. An appropriate size of the sample considered for this study is 7 respondents (Kuzel, 1992). The interviews shall be conducted while taking notes of the points being raised which would help in identifying the themes. The usage of e-commerce not more than monthly basis of the sample taken for interviews. As far as sample size is concerned, the researcher followed the guidelines suggested by (Kuzel, 1992; Sandelowski, 1995). He recommended that a sample size ranging from six to eight interviewees is suitable for a homogenous sample. Two major factors led to the adoption of qualitative research methodology in this study. Firstly, the primary motivation was the research objective, which aimed to explore the less-explored domain of determining why E-commerce businesses in Pakistan incorporate Islamic perspectives. Qualitative research focuses on theory-building, whereas quantitative research is more suited for theory testing. Thus, this research adopted a qualitative approach because it was centered on theory association rather than theory testing. Such a qualitative approach was chosen when the phenomenon was uncharted, and employing premature quantitative research methods would yield uncertain findings (Harif & Hoe, 2016; Parkhe, 1993).

## 4. Findings

### 4.1. Role of Trust in E-Commerce

Trust plays a central role in e-commerce as it influences consumers' decision-making processes and their willingness to engage in online transactions. It is a multidimensional concept encompassing trust in the website, the seller, the product, and the overall online shopping environment. Here's an overview of the role of trust in e-commerce, supported by responses gathered through research study. "Trust is incredibly important to me when making online purchases. It's the foundation upon which my entire shopping experience is built. Here's why trust matters so much. I want to be sure that the product I order is the product I receive. Trustworthy e-commerce platforms ensure that product descriptions, specifications, and images are accurate. For example, when I recently bought a laptop, I relied on the detailed product information and customer reviews to trust that I was getting what I needed (R6)". Trust in the website design, functionality, and security significantly impacts users' perceptions of trustworthiness. As R2 highlighted the trust comprises of multiple factors including quality of product, accountability of the vendor (return and refund policy), reviews and user friendly well-designed website:

"Trust and confidence that the product will be of the same quality that is expected from seeing the pictures is one of the most important factors in online shopping. I personally get that confidence by looking at the return and exchange policies. If a company allows a return with refund, I will instantly purchase online. A user-friendly, secure, and well-designed website fosters trust (R2)"

As quality is concerned most of the respondents emphasize on the products quality and description given on the e-commerce platform. R2, R3, R4 and R5 by and large said the same verdict:

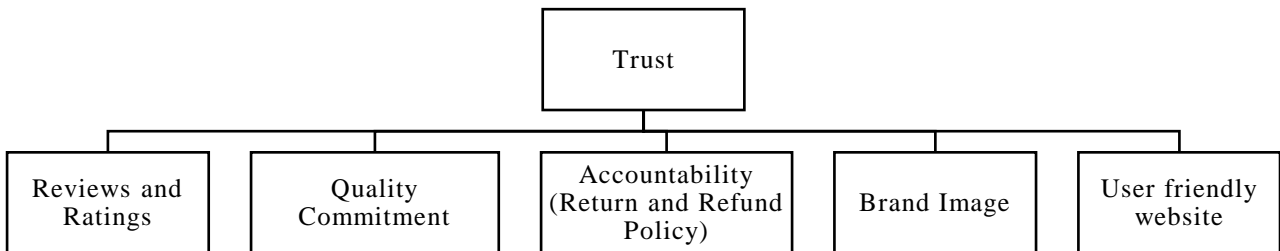
"Trust in the product quality and authenticity is vital. Detailed product descriptions, images, and customer reviews build trust in the product's attributes and suitability (R3)"

"I can't purchase online unless i have built up trust to the seller, like if only any of my friends or family already been a regular user and I get satisfied with their quality commitment (R4)"

"As a daily user of e-commerce, reviews and ratings are a significant factor in my trust-building process. I rely heavily on what other customers have experienced with a product or seller. Positive reviews and high ratings often lead me to make quick purchase decisions. Conversely, if I notice a product with too many negative reviews or low ratings, I become hesitant. I also often leave reviews to contribute to the community and help others make informed choices (R6)"

In conclusion, trust in e-commerce is a multifaceted concept encompassing trust in the website, seller, product, and security. It significantly influences consumers' online shopping behavior and is a critical factor in building and maintaining successful e-commerce relationships (Kim, Ferrin, & Rao, 2009). Many academic researches demonstrates that reviews and ratings play a pivotal role in establishing trust in e-commerce (Häubl & Trifts, 2000; Hu, Zhang, & Pavlou, 2009). Positive reviews, social proof, and authentic feedback contribute to a sense of trustworthiness in online shopping platforms. Additionally, the way sellers respond to reviews and the overall reputation of review platforms are essential factors in building trust among online shoppers. In this study through responses of interviewees it has been established that trust can be gained though five major factors:

**Figure 3: Trust can be gained through five dimensions**

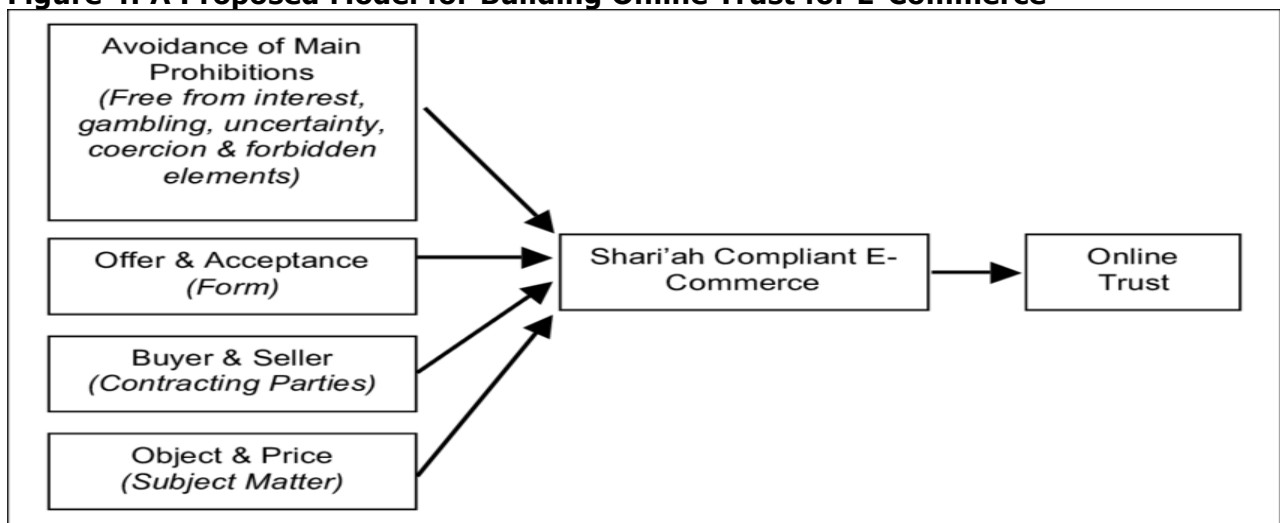


Most importantly all of the above can be summarized in two factors accountability and transparency.

**4.2. Proposed sharia compliant model for E-Commerce**

Through the highlighted characteristics above, one can achieve trust of customers in his/her business. In this research it has been proposed that sharia compliance in e-commerce can improve the level of trust in e-commerce industry. However this framework shows that the researcher predicts that the Sharia incorporated E-Commerce model influences the effect of e-commerce practices on the customer trust.

**Figure 4: A Proposed Model for Building Online Trust for E-Commerce**



Islam in general refers to the act of obeying, surrendering yourselves and owning peace, in the similar manner, when a person surrender himself/herself wholeheartedly to

Almighty God only then he is able receive the mental as well as physical peace. In the seventh century, Muhammad SWT (Peace Be upon Him) initiated the system of religion. In addition to this, one of the fastest raising religions around the globe is the religion of Islam which accumulates the population of Muslims to around 3 Million. In this world, from every 5 people one meets, one of them would be a Muslim (Sanusi, Harun, & Samsudin, 2007). According to Askary and Clarke (1997) the term *hesab* (Accountable) has been referred in distinct verses for around greater than 8 times in the Holy Quran. From the above analysis it is clearly established that if one proposed his/her business and sharia compliant, it will boost the trust in that business. "Yes, the vendor's affiliation with religiosity and their claim of Sharia compliance can influence my purchasing decisions to some extent. When a vendor openly demonstrates their commitment to Sharia compliance and religious values, it creates a sense of trust and credibility for me as a consumer. This is particularly important when I'm seeking products or services that align with my own religious beliefs and ethical values. These type of vendors should strictly avoid credit card usages and instruct their riders to allow customer for the inspection of their parcels. (R1)" "E-commerce can play a significant role in facilitating economic transactions while adhering to Islamic principles, provided certain guidelines and ethical considerations are followed. E-commerce businesses should adhere to ethical and fair business practices in line with Islamic principles. This includes transparency, honesty in product descriptions, fair pricing, and avoiding fraudulent or deceptive practices. (R3)"

The responses against the sharia compliant related questions, almost all respondents replied in a similar manner. They all highlighted the incorporation sharia compliance in E-Commerce to gain trust of consumers.

"Before going to interest free, protecting customer privacy and ensuring the security of financial transactions are essential aspects of Islamic e-commerce. Trustworthiness and data security are fundamental principles in Islamic business ethics. So in my opinion e-commerce vendors should emphasis on this more. (R6)"

## **5. Discussions on Findings**

### **5.1. Trust through Accountability and Transparency in E-Commerce:**

With regards to Islamic teachings framework, the applications of accountability are quite broad considering the social as well as economic objectives and purposes. It can be easily implicated with multiple domains which may include; religious, economics, social affairs and politics as well. According to Ahmed (2018); Al-Faruqi (1992) in Islam, accountability is not associate with the position of ideology while not admitting the sacred division and the profane as well. In addition to this, a person is first accountable to Almighty for his every conduct and in this world individuals are referred as trustees only. The teaching of Islam is based on good moral conduct and hence the statement of the Prophet (saw) that, in order to make the morals of mankind perfect as per Islamic teachings framework, I have been sent to you people (Zamin Abbas, Gondal, Junaid, Rana, & Aslam, 2012). Furthermore, the Qur'an mentions as one of the qualities of believers "*as those who are faithful to their covenants*" (Al Quran 23:8). Ibn Kathir explains this verse to mean that when an individual pledge or make a promise with anyone, they put every effort to fulfill their promise as well as their words (Kathir & bin Omar, 1999). In the similar manner, they try to stand firm and do not break the trust or betray to those who have entrusted them with anything. According to Thanvi (1923) Islam enjoins accountability and abhors fraud and corruption in all forms. Islam considers it as fraud, deceit and corruption:

- i. Misleading other individuals by presenting fake items instead of originals.
- ii. Hiding the bad parts of a commodity and disclosing only the good one in order to make a sale.
- iii. For any matter of fact, making/creating false expressions to other individuals.
- iv. Performing inappropriate actions and means in order to corrupt the son, wife, friends or servant to own that individual's wealth.
- v. Once an individual gained trust from a person with regards to his wealth or anyother thing and later betraying him or breaking his trust is dishonesty.

Islam demands from the Muslims to conduct their business and professional activities in accordance with the requirement of the Sharia by being fair, honest and just toward others



(Grais & Pellegrini, 2006). The Prophet (saw) who also led the Muslims in Medina was reported to have said, "Whatever we assign to a public officer/worker and conceals or take away a needle or something above is fraud (ghulul) and shall definitely come with it in judgment Day" (Muslim, 1993). He describes fraud as a barrier against a Muslim receiving his great intercession on the Day of Judgment when he said, "*do not commit fraud for I should not like to see anyone among you on the Day of Judgment carrying on his neck a sheep that is bleating, or a horse....a camel.... And saying OAllaah's Messenger! Intercede with Allaah for me... And I will say I can't help you for I conveyed Allah's message to you*" (Bukhari, 1986). In carrying out official responsibility, gifts given to officials are considered an act of corruption as explained by Prophet (saw) (Bukhari, 1986). The leader in the Muslim system must be made to account as enjoining good (*Ma'aruf*) and forbidding evil (*Munkar*) is made compulsory on all Muslims and they are the qualities that earned the Muslims the epithet of best the community (Al Qauran3:110). The Prophet (saw) also said: "*By Him in whose hand is my soul, you must enjoin the good and forbid the evil, otherwise Allah will be about to send His punishment upon you. And then if you pray to Him (to ask Him), he would not answer you.*" (Hanbal, 2001). With respect to Islam teachings, the trust (*Amanah*) has been associated with the accountability as an indicator to measure the job roles with the utmost sincerity and honesty. In addition to this, Trust (*Amanah*) is based on various elements which may include everything Almighty God granted individuals to take care of and also everything God have bestowed individuals with (FISHMAN, 2006). Moreover, In the Holy Quran 8:27 the Almighty has mentioned that: "*O you who believe! Betray not Allah and his messenger, nor betray knowingly your Amanah (things entrusted to you and all the duties which Allah has ordained for you)*"

Accountability in the same vein has been described as; an individual as per Islamic teachings is first accountable and answerable to Allah for all his accounts, deeds and the actions as well. For these all he would be asked by Almighty on judgment day. This philosophy can better be comprehended with the help of another verse of Holy Quran mentioned by Allah: "*To Allah belonged all that is in the heavens and on earth. Whether ye Show what is in your minds or conceal it, Allah called you to account for it. He forgives whom He pleased, and punished whom He pleased, for Allah hath power over all things*" (Al Quran, 2:284)

The above verse or Ayah from the Holy Quran states the framework of accountability under the Islamic guidelines. Moreover, Good governance is based on the accountability as well as transparency as both of them are interlinked (Johnston, 2006). The governance system would not be accountable without having transparency and in the similar manner transparency is the prerequisite for implementing accountability for the good governance systems. In Islam, Almighty God has disclosed transparency in the Holy book as: "*O ye who believe! when ye Deal with Each other, In transactions involving future obligations In a fixed period of time, reduce them to writing let a scribe write down faithfully As between the parties: let not the scribe refuse to write: As Allah has taught him, so let Him write*" (Al Quran 2:282)

This ayah emphasizes the significance of transparency in transactions, mandating that they should not be conducted in secrecy but put into writing for future reference. In essence, both transparency and accountability play vital roles in establishing good governance. Transparency involves disclosing information about the policies implemented by e-commerce vendors and other institutions, while accountability pertains to the responsibility and repercussions of decisions and policies. With these two elements, transparency and accountability, all rules and policies can be monitored, controlled, and subjected to scrutiny, thus contributing to the creation of good governance.

## **6. Conclusion**

In conclusion, this study lays the foundation for a comprehensive investigation into the integration of Sharia principles within the realm of e-commerce. By examining the current landscape of e-commerce and the challenges faced in ensuring compliance with Sharia principles, this study highlights the critical need for a holistic and integrated approach to address these concerns. It also underscores the significance of this study in contributing to the growing body of knowledge on Sharia-compliant e-commerce models and their potential impact on the Muslim consumer base. Studying E-commerce from an Islamic perspective holds significant importance in our modern interconnected world. This research offers a unique

framework that integrates traditional Islamic principles with contemporary business practices, fostering ethical and responsible online transactions.

Studying E-commerce from an Islamic perspective brings numerous insights, but it also encounters certain limitations that warrant consideration. These limitations encompass both the natural constraints of interpreting religious principles within a modern context, as well as challenges rooted in communication and real-world application.

## **6.1. Limitations**

### **6.1.1. Interpretation and Diversity of Views**

The Islamic tradition is rich with diverse interpretations of religious texts. Consequently, attempting to derive a universally accepted set of guidelines for E-commerce can be challenging due to variations in scholars' interpretations and opinions. This diversity can lead to conflicting viewpoints on issues such as interest, contracts, and ethical considerations, making it difficult to establish a single unified framework.

### **6.1.2. Rapid Technological Advancements**

E-commerce operates in a swiftly evolving technological landscape. Applying traditional Islamic principles to cutting-edge digital business models and practices can be complex. Emerging technologies like cryptocurrencies, artificial intelligence, and data privacy may present unique challenges that require new interpretations and adaptations of Islamic teachings.

### **6.1.3. Communication Barriers**

Communicating the nuances of Islamic principles to non-Muslim stakeholders or audiences can be challenging. The terminology and intricacies of Islamic jurisprudence may not translate easily to those unfamiliar with Islamic teachings, potentially hindering effective dialogue and collaboration.

### **6.1.4. Real-World Practicality**

While E-commerce from an Islamic perspective promotes ethical behavior, incorporating these principles into everyday business operations can be demanding. Balancing financial viability with ethical considerations may lead to operational complexities, impacting competitiveness and sustainability.

## **6.2. Implications**

The implications of this research are manifold and carry significance for various stakeholders in the realm of e-commerce. Firstly, the study provides valuable insights into the influence of religiosity on online shopping behaviors, contributing to the understanding of the interplay between cognitive-based and affect-based trust in the e-commerce context. The exploration of factors such as ethnicity, education, culture, and peer influence adds a nuanced perspective, aiding in the development of more targeted strategies for diverse consumer segments. Furthermore, the scarcity of research in Pakistan on the impact of religion on purchase intention highlights the novelty and importance of this study. By adopting a qualitative approach, the research ensures a deep and nuanced understanding of the subject matter, complemented by the use of thematic analysis and phenomenological techniques. This methodology not only enriches the academic discourse but also provides practical insights for industry practitioners. The study's focus on Sharia principles in e-commerce addresses a critical gap in the literature, emphasizing the need for a holistic and integrated approach to ensure compliance. The implications extend to policymakers, businesses, and scholars interested in fostering ethical and Sharia-compliant practices in the e-commerce landscape. Moreover, by establishing a connection between religiosity, trust, and purchase intentions, the research offers a foundation for building trust in e-commerce through the endorsement of an Islamic model. This has implications for marketers and businesses seeking to tap into the trust-building potential of Islamic values. In summary, the research not only contributes to academic knowledge but also provides actionable insights for industry players, policymakers, and scholars aiming to navigate the complex intersection of religiosity, trust, and purchase intentions in the e-commerce domain.

### 6.3. Future Directions

This research can be approached through a survey analysis, focusing on understanding purely human behaviors in the context of e-commerce. Another avenue for exploration involves conducting a comparative analysis of e-commerce models across different cultures, providing insights into the variations and similarities. Moreover the scope of this study can be expanded by exploring the impact of religious influences on e-commerce practices, delving into the considerations of different faiths. Furthermore, a longitudinal data analysis can offer a dynamic perspective on the evolution of e-commerce behaviors over time. Lastly, an alternative approach could involve as a quantitative study, providing numerical insights to complement or contrast with a qualitative investigation. The flexibility in methodological approaches allows for a comprehensive examination of the multifaceted aspects of e-commerce and its relation to human behaviors.

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