

Islamic Business Ethics in Buying and Selling Transactions at Pabean Market, Sedati, Sidoarjo

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ABSTRACT

Islamic business ethics is a fundamental foundation in shaping economic behavior that is in line with sharia values. This study aims to analyze the application of Islamic business ethics principles in buying and selling transactions at Pabean Market, Sedati, Sidoarjo. The market, initially designed as a tourist market offering Sidoarjo's local products, has increasingly functioned as a traditional market serving the daily needs of the surrounding community. The research employed a qualitative descriptive approach with a case study design. Informants consisted of five traders and five buyers selected through purposive sampling. Data were collected through in-depth interviews, observation, and documentation, and analyzed using Miles and Huberman's interactive model, which includes data reduction, data display, and conclusion drawing. Data validity was ensured through source triangulation and member checking. The findings indicate that the implementation of Islamic business ethics in Pabean Market is relatively satisfactory, particularly in the principles of equilibrium, free will, and responsibility. Traders generally sell their products honestly, do not coerce buyers, provide fair services, and are willing to replace defective goods. However, the principles of unity (tauhid) and benevolence (ihsan) have not been fully practiced. This is evident in the inconsistency of some traders in performing obligatory prayers on time and the limited application of benevolence, such as granting credit or showing additional kindness, which tends to be reserved for loyal customers. This study emphasizes the necessity of internalizing Islamic ethical values in every business activity, as they not only strengthen consumer trust and loyalty but also bring spiritual blessings to business actors. Thus, the implementation of Islamic business ethics supports business sustainability while also contributing positively to social welfare and the continuity of the local economy.

Keywords: *Islamic Business Ethics, Buying and Selling, Pabean Market, Traders, Consumer Loyalty*

ABSTRAK

Etika bisnis syariah merupakan landasan mendasar dalam membentuk perilaku ekonomi yang sejalan dengan nilai-nilai syariah. Penelitian ini bertujuan untuk menganalisis penerapan prinsip etika bisnis syariah dalam transaksi jual beli di Pasar Pabean, Sedati, Sidoarjo. Pasar yang awalnya dirancang sebagai pasar wisata yang menawarkan produk lokal Sidoarjo ini semakin difungsikan sebagai pasar tradisional yang melayani kebutuhan sehari-hari masyarakat sekitar. Penelitian ini menggunakan pendekatan deskriptif kualitatif dengan desain studi kasus. Informan terdiri dari lima pedagang dan lima pembeli yang dipilih melalui purposive sampling. Data dikumpulkan melalui wawancara mendalam,

observasi, dan dokumentasi, dan dianalisis menggunakan model interaktif Miles dan Huberman, yang mencakup pengurangan data, tampilan data, dan penarikan kesimpulan. Validitas data dipastikan melalui triangulasi sumber dan pemeriksaan anggota. Temuan tersebut menunjukkan bahwa penerapan etika bisnis syariah di Pasar Pabean relatif memuaskan, khususnya dalam prinsip keseimbangan, kehendak bebas, dan tanggung jawab. Pedagang umumnya menjual produknya dengan jujur, tidak memaksa pembeli, memberikan layanan yang adil, dan bersedia mengganti barang yang cacat. Namun, prinsip kesatuan (tauhid) dan kebajikan (ihsan) belum sepenuhnya dipraktikkan. Hal ini terbukti dalam ketidakkonsistenan beberapa pedagang dalam melakukan doa wajib tepat waktu dan penerapan kebajikan yang terbatas, seperti memberikan kredit atau menunjukkan kebaikan tambahan, yang cenderung disediakan untuk pelanggan setia. Penelitian ini menekankan perlunya menginternalisasi nilai-nilai etika Islam dalam setiap kegiatan bisnis, karena tidak hanya memperkuat kepercayaan dan loyalitas konsumen tetapi juga membawa keberkahan spiritual bagi pelaku usaha. Dengan demikian, penerapan etika bisnis syariah mendukung keberlanjutan bisnis sekaligus berkontribusi positif terhadap kesejahteraan sosial dan keberlangsungan ekonomi lokal.

Kata kunci: Etika Bisnis Islam, Jual Beli, Pasar Pabean, Trader, Loyalitas Konsumen

INSTrROzSUCTION

RESEARCH METHOD

Research Approach according to sharia principles. Business activities are not merely perceived as economic transactions but also as acts of worship that carry spiritual value. Consequently, a Muslim engaged in business must consider moral and ethical aspects, which in Islamic literature are known as *akhlaq al-tijarah*.

Buying and selling transactions are among the most basic forms of business activity. In Islam, these transactions are required to fulfill not only legal dimensions such as valid contracts and lawful goods but also ethical dimensions such as honesty, responsibility, and fairness. The Prophet Muhammad (peace be upon him) provided a role model in business by emphasizing integrity, transparency, and sincerity of intention. A hadith mentions: *“The truthful and trustworthy merchant will be with the prophets, the truthful, and the martyrs”* (HR. Tirmidhi).

Indicators of Islamic business ethics have been elaborated in numerous hadiths, exemplified directly by the Prophet Muhammad (SAW) in his role as a businessman. Several ethical traits demonstrated by the Prophet include honesty, trustworthiness, generosity, and an orientation toward the hereafter (Yahya, 2020). In line with these traits, Islamic teachings also prohibit practices such as *maysir* (gambling), *gharar* (uncertainty), *bathil* (falsehood), *riba* (usury), and the trade of unlawful goods (Rudiansyah, 2020). These principles, which define both the recommended and the prohibited behaviors in commerce, should be implemented by all business actors to ensure that their business activities bring blessings and benefits (Alwi & Abdullah, 2023).

Trading is most commonly observed in marketplaces, whether traditional markets, modern markets, or contemporary online platforms. Markets hold significant importance in Islamic economic history, as the Prophet Muhammad (SAW) personally engaged in them. Islam emphasizes the importance of ethics; thus, as a just and honest figure in every business transaction, the Prophet instilled values that must be upheld by all market participants, whether sellers or buyers. For instance, apart from being a trader, the Prophet was also known as a judge in the marketplace, often admonishing those who ignored morality in their transactions (Afifah & Mukhsin, 2024).

Islam has laid down detailed business ethics, directly exemplified by the Prophet himself. Beekun's (2006) framework of Islamic business ethics offers a relevant theoretical approach in examining business practices in traditional markets. Beekun structures Islamic ethics around five core principles: tauhid (unity), equilibrium, free will, responsibility, and benevolence. These principles serve as the universal ethical foundation in Islam, which every Muslim is expected to actualize in business practice. Beekun emphasizes that, within the Islamic ethical system, business decisions must always be accompanied by moral considerations and spiritual accountability to Allah SWT.

However, many real-world phenomena demonstrate a gap between the ideals of Islamic teachings and the reality of market practices. Business actors often fail to uphold Islamic ethics in buying and selling transactions. Previous studies have reported traders engaging in dishonesty (Sabana & Kalsum, 2020), concealing product defects (Kaisupy et al., 2024), breaking promises and displaying discourtesy (Fitri, 2023), and even committing fraud, manipulating weights and measures, using hazardous substances such as formalin in food, and mixing marketable with unmarketable goods (Haryanti & Wijaya, 2019).

These conditions highlight a troubling reality regarding the application of Islamic business ethics in markets. Against this backdrop, the present study seeks to analyze the implementation of Islamic business ethics in buying and selling transactions at Pabean Market, Sedati, Sidoarjo. The market is also known as a tourist market because, at its inception, it was designed to promote Sidoarjo's signature products to travelers passing through the area, particularly those commuting to and from Juanda International Airport in Surabaya. Originally transformed from agricultural land, Pabean Market has now developed into a traditional market catering to the daily needs of Pabean villagers and surrounding communities, although some vendors still sell Sidoarjo's specialty products (Ibrahim & Hartatik, 2023).

The market aspires to be a reference point for authentic Sidoarjo products among tourists. Consequently, traders are expected to maintain customer trust by selling genuine and high-quality goods and by showing friendliness toward visitors. This is not only relevant for specialty-product vendors but also applies to all traders

servicing everyday consumers. Beyond building customer loyalty, adhering to Islamic ethical standards ensures that business transactions remain blessed. For these reasons, this study was conducted to examine how traders at Pabean Market apply the principles of Islamic business ethics in their transactions.

This study employed a qualitative descriptive approach to examine the application of Islamic business ethics principles by business actors at Pabean Market, Sedati, Sidoarjo. A qualitative approach was chosen because it is considered most appropriate for exploring meanings, understandings, and subjective values held by market participants in carrying out their daily buying and selling activities (Moleong et al., 2004). The primary focus of this research was not on quantitative measurement, but rather on a deeper exploration of the social and religious meanings embedded in traditional business practices.

Type of Research and Location

This research is a field study (*field research*) conducted in the form of a case study. The study was carried out at Pabean Market, located in Sedati District, Sidoarjo Regency, East Java. The market was chosen because it represents a traditional market that was initially designed as a tourist market by the local government but has since transformed into a public market where local residents fulfill their daily needs (Ibrahim & Hartatik, 2023).

Research Informants

The informants of this study consisted of five traders actively engaged in transactions at Pabean Market. The informants were selected using purposive sampling, which involves selecting participants based on specific considerations relevant to the research objectives (Abdussamad, 2022). The traders represented a range of commodities, including vegetables, fish, fruit, clothing, and chicken meat. Meanwhile, the buyers were selected from regular consumers who shopped at the market at least once a week.

Data Collection Techniques

Primary data were obtained through in-depth interviews conducted directly with both traders and buyers. The interviews were semi-structured, allowing the researcher to explore the informants' understanding, practices, and motivations in applying business ethics. In addition, direct observation was conducted in the field to examine buying and selling interactions, traders' customer service behaviors, and the quality of goods offered. Secondary data were gathered from documentation, scholarly articles, and publications relevant to this study. The literature used included

theories of Islamic business ethics, findings of previous research, and documents on the historical development of Pabean Market.

Data Analysis Techniques

Data analysis in this research employed the interactive model of Miles and Huberman, which consists of three key stages:

1. Data Reduction – organizing, filtering, and focusing the interview and observational data to align with the research objectives.
2. Data Display – presenting the data in narrative form and with informative explanations that describe the ethical practices of the market actors.
3. Conclusion Drawing – developing final interpretations and conclusions based on field findings and comparing them with Islamic business ethics theories, particularly Beekun's framework (Sugiyono, 2020).

Data Validity

To ensure the validity of the data, triangulation of sources was conducted by comparing information from traders and buyers, as well as cross-checking interview narratives with field observations. Furthermore, the *member check* technique was applied, in which certain data were reconfirmed with informants to verify the accuracy of the collected information.

RESULTS AND DISCUSSION

Buying and selling, or *al-bai'* in Arabic, refers to the exchange of one item for another. The term is used interchangeably for both selling (*al-bai'*) and buying (*asy-syira*). In essence, it is a voluntary agreement between two parties to exchange goods of value, based on conditions that are permissible under Islamic law (Hamzah et al., 2020).

Transactions recognized in Islam are those conducted according to ethical standards. The Qur'an and hadith describe ethics through various terms such as *khuluq* (character), *khair* (goodness), *birr* (virtue), *qist* (justice), *'adl* (equity), *haqq* (truth), *ma'ruf* (recognized good), and *taqwa* (piety). Beekun (2006) identifies five fundamental axioms—unity (tauhid), equilibrium, free will, responsibility, and benevolence—as the basis of Islamic business ethics. These principles guide decision-making and influence ethical conduct in commerce (Hardiansyah & Adirestuty, 2021). This study applies Beekun's framework to examine ethical practices at Pabean Market.

1. Unity (Tauhid)

Several traders acknowledged that their business activities were part of worship and that sustenance is predetermined by Allah. Slamet, a chicken seller, explained that acts of worship are not confined to trading hours alone. Partiah, a vegetable trader, emphasized her conviction that sustenance is

arranged by God. Umi, a clothing vendor, associated divine supervision with the necessity of honesty in business. Meanwhile, Muji, a fish seller, admitted that he often delayed prayer until after returning home, typically after midday.

These accounts suggest that traders conceptually understood tauhid but had not consistently translated it into practice, particularly in terms of observing prayer times. Field observations confirmed that many traders did not immediately perform prayers when the call to prayer was made, and some male traders neglected Friday prayers. This finding reflects earlier studies (Haryanti & Wijaya, 2019), which noted that tauhid was often recognized in principle but insufficiently embedded in daily worship routines.

2. Equilibrium (Justice and Balance)

Traders also highlighted honesty and fairness in transactions. Adi, a fruit seller, stressed that honesty was essential for ensuring blessings. Partiah explained that she avoided selling poor-quality produce unless explicitly requested, and in such cases, she charged a lower price. Slamet showed transparency in weighing poultry, noting that his scales were always visible to buyers. Umi indicated that product prices were set according to quality but without deception.

From both trader and buyer perspectives, the principle of equilibrium was well-practiced, encompassing fairness in weights, product quality, and pricing. These findings are consistent with Fitri (2023), who observed that applying equilibrium fosters customer loyalty and enhances traders' reputations. The results also resonate with the Qur'anic prohibition against fraudulent trade (QS. Al-Mutaffifin: 1–3).

3. Free Will

The principle of free will was reflected in traders' acknowledgment of buyers' freedom to choose and their avoidance of coercion. Partiah stated that she never pressured buyers, while Adi noted that he pursued profits within reasonable limits comparable to other traders. Buyers corroborated these claims, affirming that they felt free in their transactions without undue influence.

This shows that voluntary exchange was preserved at Pabean Market, aligning with Beekun's (2006) assertion that freedom must coexist with moral accountability. The findings also diverge from Kaisupy et al. (2024), who noted that unrestrained freedom without ethics often leads to exploitation; at Pabean, ethical limits were respected.

4. Responsibility

Traders displayed accountability in several practical ways. Slamet, for example, mentioned that he occasionally gave bonuses to customers who bought in bulk. Partiah explained that she allowed customers to return unsatisfactory vegetables, which she either resold at a discount or consumed herself. Muji emphasized that he would accept returns of defective fish, either replacing the goods or refunding the money.

These practices illustrate a willingness to take responsibility for product quality and customer satisfaction. Buyers confirmed such behaviors, emphasizing that traders did not hesitate to accommodate complaints. This strengthens consumer trust and loyalty, echoing Afifah and Mukhsin (2024), who argued that responsibility enhances long-term sustainability. It also supports Purnomo et al. (2025), who maintained that responsibility must not be compromised in the pursuit of profit.

5. Benevolence (Ihsan)

The practice of ihsan was present but varied. Umi, a clothing vendor, believed that friendliness was essential in attracting customers. Slamet sometimes extended credit to loyal customers but avoided doing so with strangers for fear of non-payment. Adi occasionally offered discounts to buyers, especially those purchasing in larger quantities.

These accounts reveal that while kindness, generosity, and flexibility were practiced, they were often limited to familiar or loyal customers. Ihsan, as Beekun (2006) describes, represents the peak of Islamic ethics because it reflects compassion and empathy in transactions. Similarly, Sabana and Kalsum (2020) found that consistent benevolence fosters stronger customer loyalty. At Pabean Market, however, benevolence remained uneven, contingent on the nature of trader-buyer relationships.

Based on overall findings, the study indicates that the principles of equilibrium, free will, and responsibility were strongly evident among traders at Pabean Market. However, unity and benevolence were less consistently applied. Traders conceptually recognized tauhid but often fell short in fulfilling religious obligations during trading hours. Similarly, benevolence was practiced selectively rather than universally. These findings underscore the role of Islamic business ethics in ensuring fairness, transparency, and consumer satisfaction. They also demonstrate that ethical adherence contributes to long-term sustainability and provides both worldly benefits and spiritual rewards (*Rosdiana et al., 2025; Su'ib & Rizky, 2025; Aslamia et al., 2025*).

CONCLUSION

This study concludes that the application of Islamic business ethics in buying and selling transactions at Pabean Market, Sedati, Sidoarjo has been relatively satisfactory, although certain aspects still require improvement. The principles of equilibrium, free will, and responsibility were widely practiced, as reflected in traders' honesty in weighing goods, their non-coercive attitude toward buyers, and their willingness to handle complaints or replace defective items fairly.

However, the principle of unity (tauhid) has not yet been fully internalized in traders' daily conduct. Several traders were found to be inconsistent in performing obligatory prayers, particularly in observing prayer times punctually, with some male traders neglecting Friday prayers. This condition highlights that tauhid, as the foundation of Islamic ethics, must be more strongly emphasized, as it directs all economic activities toward the consciousness of worship to Allah SWT.

Similarly, the principle of benevolence (ihsan) was not consistently observed across all traders. While some demonstrated friendliness, generosity, and provided occasional discounts or bonuses, these practices were not universal and were often limited to loyal customers. Ihsan, however, is a crucial aspect of Islamic ethics, as it reflects kindness and compassion in transactions, strengthening the relationship between traders and buyers.

Overall, the research affirms that implementing Islamic business ethics contributes positively not only to market sustainability but also to consumer loyalty and trust. Ethical business practices ensure that transactions are conducted fairly and transparently, thereby creating long-term benefits for both traders and consumers. Furthermore, adherence to these principles yields not only economic gain but also spiritual blessings, reflecting Islam's holistic view of business as both worldly and religious responsibility.

SUGGESTIONS

Based on the findings of this study, several recommendations are offered. First, traders at Pabean Market should reinforce the principle of tauhid by integrating greater spiritual consciousness into their daily business activities. This includes consistently performing obligatory prayers on time, even during trading hours. Such practice would ensure that the notion of business as worship is not only conceptual but also practically implemented.

Second, greater emphasis should be placed on strengthening the practice of benevolence (ihsan). Traders are encouraged to adopt a more consistent attitude of friendliness, extend additional services, and offer flexible payment options where appropriate. By doing so, they will not only improve their economic outcomes but also achieve broader social and spiritual benefits. Enhancing ihsan will contribute to consumer satisfaction, strengthen loyalty, and ensure that business activities remain blessed and sustainable in accordance with Islamic principles.

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