



UNIVERSITI TEKNOLOGI MARA

***“Factors Influencing The Islamic Credit Card Adoption:
Study Case in Majlis Perbandaran Kajang (MPKj)”***

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ABSTRACT

One of the products that have been offered by some Islamic as well as dual bank is Islamic credit card. This Islamic product needs to be marketed to better position Islamic bank with diversity portfolio of product. The purpose of this paper is to explore factors that affect Islamic credit card adoption and usage by bank customers in Malaysia specifically for customer in Majlis Perbandaran Kajang (MPKj). This paper presents primary data collection by self-administered questionnaires involving a sample of 250 respondents in Majlis Perbandaran Kajang (MPKj). In addition, the provided information of this paper would serve as basis for more future studies in Islamic credit card area. Moreover, managers of Islamic bank and other Islamic credit card issuers could be importance in expanding the study finding to have better future for offering their Islamic credit card.

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CHAPTER 1

INTRODUCTIONS

1.0 Background of Study

In Malaysia, there a lot of developed bank and issued credit card as their facilities. Credit cards have become more and more important as a source of income for the banks and there has been a high growth in number of credit cards circulation (Ravichandran Subramaniam, 2010). A credit card is a system of payment named after the small plastic card issued to users of the system (Choo S Y, 2007). A credit card is different from a debit card in that it does not remove money from the user's account after every transaction. In the case of credit cards, the issuer lends money to the consumer. It is also different from a charge card which requires the balance to be paid in full each month. In contrast, a credit card allows the consumer to 'revolve' their balance, at the cost of having interest charged. Most credit cards are the same shape and size, as specified by the ISO 7810 standard (Hamid N. R., 2007). Credit card has become one of the important facilities in the contemporary society because they provide customers and merchants considerable advantages over cash and cheques. There a lot of risk involved in carrying cash anytime. Cash is easier to steal and harder to trace once lost or stolen. That why most people preferred to used credit card rather than carrying cash. Cheques also have their own advantages such as difficult to use outside one's local community because of the risk of bad cheques (Evans, 1999).