



UNIVERSITI TEKNOLOGI MARA

THE FACTORS THAT INFLUENCING CREDIT CARD

USAGE AMONG ISLAMIC BANKING CUSTOMER

A CASE STUDY IN TEMERLOH

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ABSTRACT

Credit card is issued by financial institution to users to enable cardholder to make any payment for goods and service. Credit card have become necessity to the public. The credit card issues by financial institution because to give its holder a soft of loan without collateral to be pledged (Mohamed, et al., 2016). This paper aimed to identify the factors that influencing credit card usage among Islamic banking customer in Temerloh Pahang. There are six factor that influencing credit card usage among Islamic banking customer which are easy access to credit, promotion by credit card provider, low minimum payment requirement, attitude, credit card related knowledge, and lastly service quality. Primary data will be collected through series of questions in a questionnaires. The questionnaires will distribute to the 150 respondents among Islamic banking customer. The target population is Islamic banking customer and sampling technique is convenient sampling. Statistical Package for Social Science (SPSS) use to analyse the data and method for data analysis are frequency analysis, reliability analysis, descriptive analysis, Pearson correlation analysis and regression analysis. The findings shows the aggressive promotion by the credit card provider, attitude towards credit card usage and service quality have a positive and significant relationship on the credit card usage among Islamic banking customer. In Malaysian, a certain parties should take action in solve the problem. For example, the government should tighten the rules and give guideline to the cardholder. Other parties like commercial bank should give advisee and explain more about advantages and disadvantages using credit card to the customer before customer apply the credit card. Then customer should control their purchase in item of goods or product.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

In this first chapter indicate the background of the study of focusing on the research topic. This research objective to identify the factor that influencing credit card usage among Islamic banking customer. In details, this chapter present about the background of the study, problem statement, research question, research objective, significance of study, scope of study, limitation of study, definition of terms and lastly the conclusion.

Credit card is the one of banking product that helps to improve the bank's financial. In the mid-70s credit card was introduce to the Malaysia and today, credit card become popular as a medium payment for consumer. However credit cards used remains limited. Credit card also can be a very important to the public because credit card have the benefit. In general, credit are convenient and speed, safe and reliable. Besides that, use of credit cards are having a record keeping which are the statements that can help track the expenses. Then, credit card also easy access, for example, the cardholder no need to worry if they not have enough money in the wallet because cardholder can use credit card for the shopping. Lastly, credit card is the fastest way of customer borrowing.

Credit card also can give disadvantages to the consumer. For example, with the credit card usage, customer need to pay annual fees to the credit card issued. Besides that, customer also can become overspending when use credit card this is because the customer will spend more. The mismanagement credit card will lead to the long term debt. So, Malaysian government should tighten the rules of approving credit card.