UNIVERSITI TEKNOLOGI MARA

FACTORS THAT AFFECTING PEOPLE'S PREFERENCE IN ISLAMIC CREDIT CARD : CASE STUDY IN RAWANG, SELANGOR.

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Bachelor of Business Administration

(Hons) (Islamic Banking)

JUNE 2017

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AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

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ABSTRACT

Despite the spread in usage and ownership of credit cards, Islamic credit card still lacking in demand. The main purpose of this paper is to identify the factors that influence people preferences towards Islamic credit card. This study is based on a questionnaire survey conducted in Rawang, Selangor. 144 questionnaires were distributed to respondents by using stratified sampling technique. Based on an extensive review of literature, we want to identify the relationship between level of satisfaction, level of knowledge, religious belief, social influences and the people's preference towards Islamic credit card. From the finding, it can be determined that level of satisfaction are the only factor affecting the people's preference towards Islamic credit card. The findings are likely to be important to banks and financial institutions issuing credit cards, as they help managers to have a better understanding of cardholders in Malaysia and take steps to improvise their products so that they can reach their aims and goals.

Keywords – People's preference, Satisfaction, Knowledge, Religious belief, Social influences.

ACKNOWLEDGEMENT

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CHAPTER 1 : INTRODUCTION OF THE STUDY

1.1 Introduction

Islamic banking and financial system has long been established since early 1950s internationally and expanded in our country, Malaysia, since 1970's. From the start, it has been a rough process for this system to be implemented and had a tight competition with the one and only banking system, conventional system that on the other hand have greater influence among people than the Islamic system as mentioned by Nuradli, Shumaila, & Hanifah, 2014, the Islamic banking in Malaysia is still relatively new, marking its 30th year of establishment, compared to conventional banking.

Throughout the years starting from its establishment until today, the Islamic system has developed rapidly in their own pace with their own vision and mission. As IB is growing in the financial world, there is also a growing need for an in-depth understanding of the system itself. (Dali, 2014) As the Islamic banking and financial system keeping their progress in the market with their own product and services, there must be factors that influence the people to choose Islamic banking product and services than the conventional products and services specifically in the usage of Islamic credit card, despites the quality of the products that have been offered.

1.2. Background Of The Research

According to Nazimah, 2012, a credit card is the modern financial innovation through which monetary borrowing is made by consumers from financial institutions. Money is channel to the borrowers through purchases and cash withdrawals. It offers dual facility to consumers, comprising a finance and "plastic money" facility that ensures a consumer is able to address financial needs without carrying cash (Nazimah Hussin & Dariyoush, 2016). Credit card is also more preferable than the other cards that have the same function in terms of mode of payments like debit card and charge card as mentioned by Muhammad & Syed, 2015,that makes credit card more preferable that is debit card does not allow paying back later option and customer has to follow buy now

and pay now option. In addition, customer actually using his own cash while using debit cards whereas he use banks credit facility in credit card. Islamic credit card merely started its era in 2001 with the launched of Al Taslif Credit Card by Am Bank Malaysia, followed by Bank Islam Card-I (BIC) on 23rd July 2002 by Bank Islam Malaysia and Al-Aiman credit card on 22nd December 2006 by the Bank Simpanan Nasional (BSN).

1.3. Problem Statement

Islamic banking system has been created in order to provide an alternative ways for Muslims to avoid from being involved in any prohibited activities in Islamic banking and finance activities such as usury, uncertainty, gambling etc. The Islamic banking products and services has shown significant increased from the day of the establishment of the system itself until now as mentioned by Ahasanul , Jamil, & Ahmad Zaki, 2009, there are approximately 180 Islamic Banks and Financial Institutions operating in Asia, Africa, Europe and the USA with more than 8,000 branches with an estimated $170 billion.

The product and services offered by the Islamic banking and financial system like Islamic credit card, comprised the element of halal which means that there are no transaction that are forbidden by shariah such as the transaction that have riba', gharar, and maysir. Nowadays, almost every conventional banking instrument has been adapted in Islamic banking and finance by doing some improvements in order to comply with Shariah requirements.

As stated by Sudipta, 2014, stating that Islamic consumers prefer Islamic banking rather than conventional banking. From this statement, the assumption that religious background affects the preference to choose Islamic banking product and services do came out of our mind. Hence, this study is discussing about whether religious background affect the people's preferences towards Islamic credit card. Same as the other factors, level of knowledge, level of satisfaction and also social influences. Are these factors or variables affect the people's preferences towards Islamic credit card?

1.4. Research Questions

In this research, the research question must be determined at the early stage of study. The research question are :

What are the main selection factors that influence peoples preferring Islamic credit card?

3.7.1. What are the effects of religious background to the peoples preferring Islamic credit card?

3.7.2. What are the effects of level of knowledge to the peoples preferring Islamic credit card?

3.7.3. What are the effect of social influences to the people preferring Islamic credit card?

3.7.4. What are the effect of level of satisfaction to the people preferring Islamic credit card?

1.5. Research Objectives

In this research also, the objectives itself must be determine to have a clear route on where this research will go, the be precise, the aim to conduct it.

To identify the main selection factors that influence peoples prefer Islamic credit card.

3.7.1. To determine the relationship between the level of satisfaction and peoples' preference in Islamic credit card.

3.7.2. To determine the relationship between the level of knowledge and peoples' preference in Islamic credit card.

3.7.3. To determine the relationship between the religious background and peoples' preference in Islamic credit card.

3.7.4. To determine the relationship between the social influences and peoples' preference in Islamic credit card.

1.6. Significance Of The Research

This research specifically can benefit many people in many ways. The closest party that can gained benefit from it is the bank. As the data can be used to fuel the improvement of Islamic banking and finance sector. Besides, from this research, people like the current user of credit card can also take benefit from the information gained from this research and to try choosing a better credit card facility that will majorly benefitting them in most ways while the customer that not yet applying banking products and services, can take note on the information before deciding to use it.

1.7. Scope Of Research

In this research, the scope has been narrowed to only the people living in Rawang involving all the residents of the housing area within the range of age from below 20 years old to 60 years old and above. The sample size of the study is being calculatedby using the formula used by Tabachnick & Fidell, 1996, $N > 50 + 8k$, k as the amount of independent variables used in this reseaarch, that are 4 of them amounted to $N > 82$. It means that the sample size of the research are requires 82 respondents to be evaluate.

1.8. Limitations Of The Study

The limitation that are being faced in this study are commonly regarding the time constraint as the time is limited in conducting this study and it is hard to finish up the research by conducting it in busy schedule of daily activities.

The other limitation faced are the scope of study, as in this research, the population are the people living at Rawang and the sample is being calculated based on the size of the population that is 120, 447 people in Rawang that is actually a huge number.

1.9 Summary

Based on this chapter, it provide the detail information about the research, comprising the basic information to the detail of the sources of data that need to be collected from the specific sample size. Plus, the limitation of the study shows there are circumstances in carrying this study and affecting the method to be used and hence, the result.

CHAPTER 2 : LITERATURE REVIEW

2.1 Introduction

In the literature review, it is basically comprised the supporting arguments and facts that happened to be discussed in previous research by other people and scholar. The literature review act as to demonstrated a familiarity with body of knowledge and establish credibility, to show path of prior research and how a current project link to it and also to incorporate and summarize matters involves. (Veera, Premkumar, & Awais, 2013)

2.2 People's Preferences In Islamic Credit Cards.

In the essence of the success of Islamic banking's future, it is important nowadays to pinpoint critical issues and matters regarding Islamic banking and finance as this sector is currently grow as fast as it is in the economy and it is crucial to know the factors and reason of it above all matters as it must be analyse and being studied for the purpose of the future.

There are many factors that can influence people in preferring Islamic banking product and services, specifically Islamic credit card in Malaysia. One of the previous article found that the factors of adoption of islamic product are religion, awareness and networking (Nain, Madiha, Muhammad Rizwan, Mahwish, & Muhammad, 2014). There are also other researcher found that the factors in choosing islamic banking product and services can be divided into external and internal factor.

2.3 Level Of Satisfaction

Customers satisfaction is the feeling or attitude of a customer towards a product or service after it has been used. (Jamal & Naser, 2002). Customer satisfaction often depends on the quality of product or service offering. (Naser, Jamal, & Al-Khatib, 1999). It can be concluded that customer satisfaction is simply the customer's feeling or behavior for the product or service which has been offered by various marketing and

financial institutions. (Rafiullah, Mehwish, Shahid, & Shahab, 2016). Thus, it is one of the crucial part in every companies including banking institutions

.

Every company has to take a very good care on this issue to retain their customers' loyalty. The customers are the primary sources of income for any industry. Conventional banking system (cbs) and islamic banking system (ibs) are considered as rival systems working in the same banking industry. (Naveed & Rehman, 2010). As a business entity, banking institutions also need deposits from customers to raise funds in order to invest and generate more profit. Every banking institution has to compete with each other in order to attract more customers by maintaining and improving the level of satisfaction of their customers.

Customers' satisfaction is one of the major factor that can influence peoples to choose islamic banking products and services. There are many ways to variables that can measure the customers' satisfaction level. From the research conducted by (Naveed & Rehman, 2010), the finding shows that most of the customers are satisfied from the islamic banking system. The result shows that people are satisfied from the management proficiency, their efficiency in the transaction completion and the working hours of the bank.

According to (Haron, Ahmad, & L. Planisek, 1994), the main factors that lead to customers' satisfaction are fast and efficient service, friendliness of bank personnel, confidentiality of bank and speed of transactions. According to (Amin & Isa, 2008), banks have provided innovative methods of satisfying customers, such as internet banking and online system, telephone and customer careline.

2.4 Level of Knowledge

Based on the Merriam-Webster dictionary, level is the magnitude of a quantity considered in relation to an arbitrary reference value, while knowledge can be defined as

the fact or condition of being aware of something or the range of one's information or understanding answered to the best of my knowledge Level of knowledge can be define as the degree of information owned and gained by an individual.

In this study specifically it can be interpret as people's degree of data information owned and gained regarding the Islamic credit card. The more the people know of something will affect their behaviour towards it, In this case, the knowledge about Islamic banking products specifically Islamic credit card is crucial in reflecting their preference towards it as it has been mentioned in an article, personal financial knowledge is an important component in consumer decision making. (Suhana, Norsuridah, Rohana, Nooririnah, Aznilinda, & Raja Zuraidah, 2016)

Commonly, knowledge is important for everyone in this world as it can influences someone mind and way of thinking. In this scenario, when people get more information of the Islamic banking and finance, especially Islamic credit card, there are possibilities that they will use the product as they know the product well and will benefit them in some ways. It is believed that the lack of Islamic banking knowledge is due to the customers not well informed. (Noresma, 2004).

Although IB is more than 30 years old, however people are not aware of its products and services (Nain, Madiha, Muhammad Rizwan, Mahwish, & Muhammad, 2014). From this statement, it shows that the level of knowledge of people regarding Islamic banking products like Islamic credit card is crucial for the its development and improvements supporting with a study done by Noresma, 2004, it stated that in this case the knowledge is expected to influence the attitude towards engaging in islamic banking facilities as well as the subjective norm. Thus, it can be considered that level of knowledge really do affect the influence of people to choose islamic banking products and services, specifically Islamic credit card.

2.5 Religion Background

Religion as mentioned by Kirkpatrick, 2005, is a psychological connection, dominant emotional relationship to things. It can be interpreted that religion is somehow can be a factor, cause or principle own by a human that practices a religion that would eventually affect the way of a person think and decide. Thus, the point is that personal thought do can be influenced by the religion background.

Even though Islamic banking products and services are widely used by people around the world nowadays and the rapid growth of the Islamic finance proves to be undeniably impressive, but there are certain people that still have doubt in using the products, especially the Islamic credit card. As it is known that credit card apply the buy thing- pay later kind of system that is similar to borrowing or applying debt to purchase an item. Therefore, in Islam, it is not recommended to purchase item by debt as there are bad consequences to the debtor to pay back the debt to the creditor. Furthermore, Islam discourages Muslims to carry debts while debts are allowed only for real needs.(Muhammad, Raza, & Chin-Hong, 2015)

On top of those issues, some customer, especially Muslims, preferably use the products as they want to follow the rules and regulation based on Shariah principles. It is because they already know the effect that will cause them in the future, either in this world or hereafter as there is halal and haram in Islam that must be follow by all Muslims. Hence, we can assume that the religious background do affect people's preference towards Islamic banking products and services, mainly towards Islamic credit card. Supported with the statement by Othman and Owen (2001) concluded that cultural and religious factors were identified as the most influential factors that affect Islamic banking adoption in Kuwait.

2.6 Social Influence

The meaning of social, based on the Merriam-Webster dictionary can be defined as the of or relating to human society, the interaction of the individual and the group, or the welfare of human beings as members of society while the word influence can be defined as the act or power of producing an effect without apparent exertion of force or direct exercise of command or to affect the actions of humans.

Thus, both word can be defined as the force or act that cause by the interaction made by an individual with the people around in a society. On top of it, this study try to figure out the effect of social influences on people's preferences towards Islamic credit card. As it had been mentioned in It point out that social environment plays a role in shaping an individual's behavior by focusing his or her attention on certain circumstances. (Remali & Nor' Azurah, 2014)

Based on the above definition, the Islamic credit card preference can also being affected by the social influences. It is because, in our daily life, people are used to blend and interact with other people around and the preferences, point of view and thoughts are different from one another. So, it is crucially can give an impact to the one's personal preferences due to the influences from the society. It is also being mentioned in article by Muhammad & Hassan, 2016, social circle of customers can have a strong influence in choosing banks.

Influences can be in many medium that can affect someone's way of thinking thus resulting to different kind of preferences from one people to another. Starting from the closest person to an individual, family like parents and siblings, friends, media, or even the people around us. As stated by Shafinar, Hanudin, Siti, & Nurhaslinda, 2014, parents, schools, peers and media also play a role in influencing the adult's consumer behavior. So, it can be assumed that the social influences play an important role in determining person's thought, attitude and preferences.

2.7 Summary

Hence, in this chapter, all the variables has been explained in much more deeper way of understanding supported with the statements and quotes from other journal article that, in such terms, discussing the same variables as this research.

CHAPTER 3 : RESEARCH METHODOLOGY

3.1 Introduction

This chapter will be focusing on the methodology that will be applied during the research. Firstly, this research is being conducted based on the primary sources of data and the methodology includes the research design, population and sample size, sampling method, data collection method. It is mainly to examine the methodology used to study the selection factors that influence people preference on Islamic banking products and services.

3.2 Sample And Data

3.2.1 Population and Sample

The population of this study mainly focused at Rawang at large with number of population, 120, 447. The sample size is determined by using the formula generated by based on Tabachnick & Fidell, 2007, $N > 50 + 8k$, k as the amount of independent variables used in this research, that are 4 of them amounted to $N > 82$. It means that the sample size of the research are requires 82 respondents to be evaluate. But for the precaution for any error that may occurred in collecting data, 144 responses were collected exceed the amount required based on the formula. In this research is simple random sampling. It is a technique which every element in population has a known and equal chance of being selected as a subject.

3.2.2 Data Collection

The data for this research is collected from the primary data originally through set of questionnaire that is distributed to the respondents based on the determined sample size. Other than that, articles from various journal are also being used to support the variables and providing better understanding for the research to be conducted beside supporting the process on how the study is conducted.

3.3 Variables

In this research, there are two variables that are being studied that are the dependent variable and independent variables. Both of these variables are being tested by determining the relationship between them, thus, come up with the result of relationship. The dependent variable is people's preference towards Islamic credit card, while the independent variables are level of satisfaction, level of knowledge, religious belief and social influences.

3.3.1 Dependent Variable

The dependent variable is the variable that being the main interest in a study. It is a variable that will measure the effect of the independent variables and it also can be the result of any change(s) occur in the independent variables. In this study, the dependent variable is the people's preferences towards Islamic credit card.

3.3.2 Independent Variable

The independent variable on the other hand is the variable that influences the dependent variable in either positive or negative way. In this research, the independent variables are the religious background, level of knowledge, social influences and level of satisfaction.

3.4 Theoretical Framework

```
┌─────────────────┐
│    RELIGIOUS    │
│   BACKGROUND    │──────────────┐
└─────────────────┘               │
                                   ↘
┌─────────────────┐        ╱───────────────╲
│    LEVEL OF     │       ╱     PEOPLES      ╲
│   KNOWLEDGE     │──────▶│  PREFERENCE IN    │
└─────────────────┘       │ ISLAMIC CREDIT    │
                          ╲      CARD        ╱
┌─────────────────┐        ╲───────────────╱
│     SOCIAL      │──────▶
│   INFLUENCES    │
└─────────────────┘       ↗
                         ╱
┌─────────────────┐     ╱
│    LEVEL OF     │────╱
│  SATISFACTION   │
└─────────────────┘
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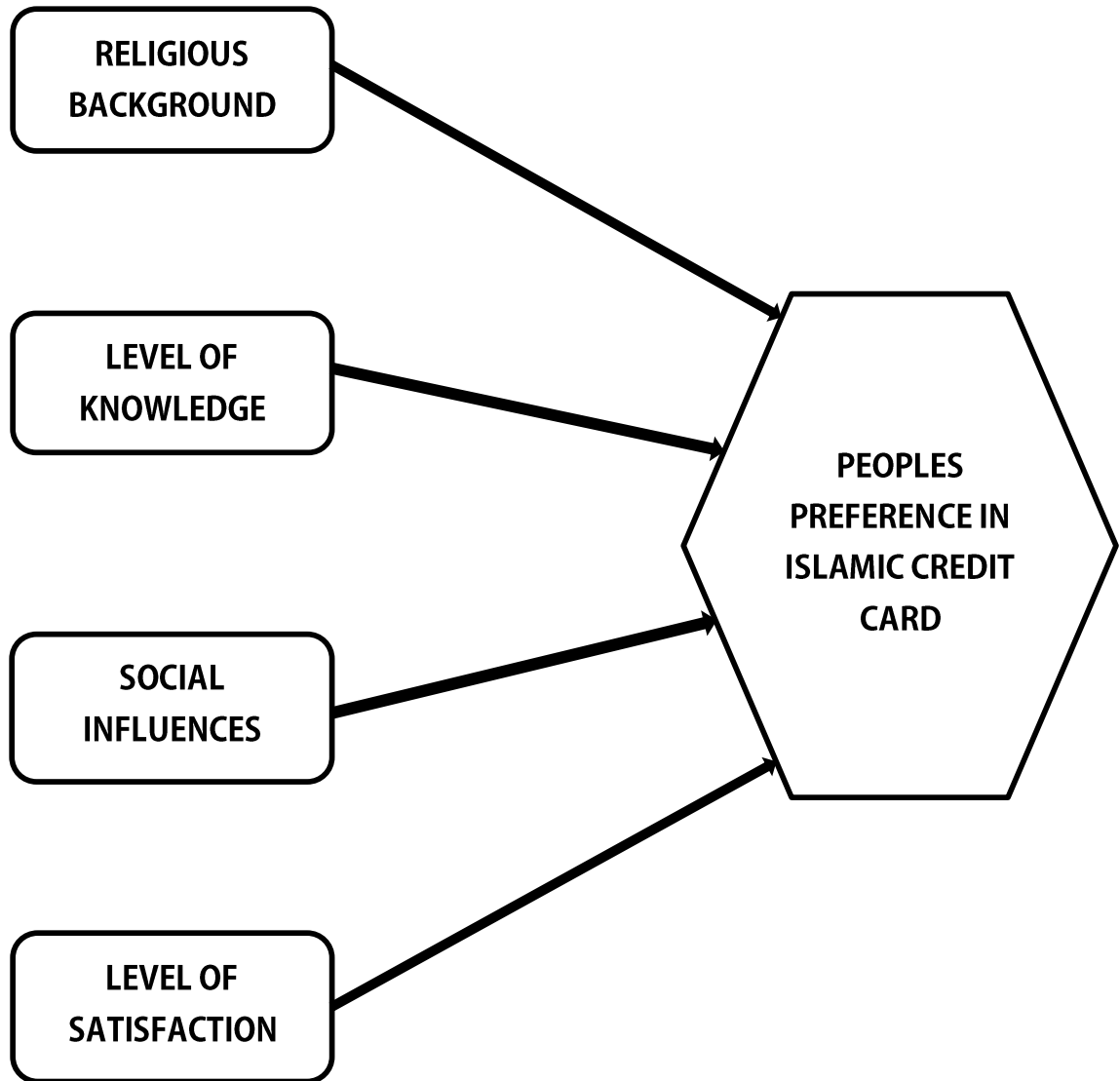
Diagram 3.1 Theoretical Framework

3.5 Method Of Data Analysis

3.5.1 Descriptive Analysis

In this research, the SPSS software is used to analyse the data collected from the primary sources that is questionnaire. The result may be vary based on the data analysed.

3.5.2 Validity and Reliability Test

The data and variables will be examined through tests that will determined the reliability and validity of them. Commonly, the Rotated Component Matrix and the KMO and Bartlett's test is used to determine the reliability of the questions in questionnaire and the validity of data that is suitable to be used for factor analysis.

3.5.3 Binary Logistic Regression Analysis

In this research, the data is analysed and the variables is being examine either it explaining the other variables or not. As in this research, Cox & Snell R Square, Nagelkerke R Square, Hosmer and Lemeshow Test, Wald statistic are used to determine whether the independent variables explaining the dependent variable.

3.6 Research Design

Basically, research design is one of the early step that must be analyse in the research methodology before conducting the research. Identifying and analysing the basis of the research allow us to understand how the nature of problem influences the choice of research method. The main important elements in research design are purpose of study, types of investigation, extent of researcher interference, study setting, unit of analysis and time horizon.

3.6.1 Purpose of the Study

The purpose of this study is basically based on the descriptive. On top of describing the characteristic of the population, this research is also conducted to figure out cause that can affect the people's preferences in Islamic credit card.

3.6.2 Types of Investigation

Based on this study, the types of investigation applied are the cause and effect. As in this research, it is a study of the one or more concepts or variables that cause changes or movement to the other variables.

3.6.3 Extent of Research Interference

The extent of research interference in this study is minimal as it is conducted spontaneously involving the respondents based on the sample size in the natural environment and without the interruption on the normal workflow.

3.6.4 Study Setting

In this study, the researcher has merely identified the respondents' preference on factors that influence them to take Islamic credit card. Hence, the research is being done in a non-contrived setting as the research is conducted with minimal researcher interferences which means that the researcher do not involved with the normal work routine.

3.6.5 Unit of Analysis

It is important to determine the unit of analysis before embarking on data collection. Unit analysis for this study is individual where it focused on people at Rawang, Selangor.

3.6.6 Time Horizon

The time horizon in this research is cross-sectional studies that involved the collection of data in short-term period which is four months where it starts from February 2017 until May 2017.

3.7 Hypothesis

3.7.1. h0: there is a significant relationship between the level of satisfaction and peoples' preference in Islamic credit card.

    h1: there is no significant relationship between the level of satisfaction and peoples' preference in Islamic credit card.

3.7.2. h0: there is a significant relationship between the level of knowledge and peoples' preference in Islamic credit card.

    h1: there is no significant relationship between the level of knowledge and peoples' preference in Islamic credit card.

3.7.3. h0: There is a significant relationship between the religious background and peoples' preference in Islamic credit card.

    h1: There is no significant relationship between the religious background and peoples'
preference in Islamic credit card.

3.7.4. h0: there is a significant relationship between the social influences and peoples' preference in Islamic credit card.

    h1: there is no significant relationship between the social influences and peoples' preference in Islamic credit card.

3.8 Summary

Based on this chapter, it explained the method and ways to conduct this research and how is the data is being collected. Plus, the setting where the study is being conducted and details about the research hypotheses.

CHAPTER 4 : FINDING

4.1 Introduction

Roughly, this chapter is focusing on the crucial part of the research, that is the analysis of the data collected, the finding, the interpretation and discussion of data gain from the primary data, specifically the questionnaire that had been distributed to 144 total respondents. In this part, the data obtained will be analyse by going through various types of analysis based on the purpose of the analysis itself by using Statically Package for Social Science (SPSS). It will be used to analyse all the data to achieve the objective of the research. Thus, generating the results demanded to sum up this research. The analyses are frequency analysis, reliability analysis and descriptive analysis, cross tabulation, factor analysis, correlation analysis and regression analysis.

4.2 Reliability Analysis

In this part of analysis, it is purposely to identify the reliability of all the items of the variables used in the research, including dependent variable and independent variables. It is to determine whether each and every one items of the variables have explain the variables itself. In this reliability analysis, the Cronbach's Alpha is being used to analyse the data as its function to determine the correlation of the items to one another based on the guideline stated in the table 4.2.1 Reliability Statistic Result by Sekaran, 2013. The variables are the people's preferences in Islamic credit card, level of satisfaction, level of knowledge, religious belief and social influences.

ALPHA COEFFICIENT RANGE	STRENGTH OF ASSOCIATION
$\alpha < 0.6$	Poor
$0.6 \leq \alpha < 0.8$	Acceptable
$8 \leq \alpha < 0.90$	Good
$\alpha \geq 0.9$	Excellent

Table 4.1 Reliability Statistic Result. Sources: Sekaran, 2003

4.2.1 Level of satisfaction

Reliability Statistics

Cronbach's Alpha	N of Items
.852	8

Table 4.2. Level of satisfaction

Based on the result above, the Cronbach's Alpha indicates that the reliability percentage of the level of satisfaction's items as an independent variable is 85.2%, 0.852 which is also good in term of its strength in determining its variable.

4.2.2 Level of Knowledge

Reliability Statistics

Cronbach's Alpha	N of Items
.678	5

Table 4.3 Level of knowledge

Based on the table above, the Cronbach's Alpha shows the reliability percentage of the level of knowledge's items as an independent variable is 67.8%, 0.678 which is considered acceptable to be used in this research. It indicates that the item can be used

4.2.3 Religious Background

Reliability Statistics

Cronbach's Alpha	N of Items
.893	6

Table 4.4 Religious background

Based on the result gained from the analysis, the Cronbach's Alpha shows the reliability percentage of the religious belief's item as an independent variable is 89.3%, 0.893 which is in good strength to be used for the variable in the research.

4.2.4 Social Influences

Reliability Statistics

Cronbach's Alpha	N of Items
.861	6

Table 4.5 Social Influences

The table above indicates the reliability percentage of the social influences' item based on the Cronbach's Alpha, shows the 86.1%, 0.861 of the items are good to be used for the variable in the research.

4.3 Factor Analysis

4.3.1 Validity of KMO and Bartlett's Test.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.813
Bartlett's Test of Sphericity	Approx. Chi-Square	2937.098
	Df	435
	Sig.	.000

Table 4.6 KMO and Bartlett's Test

This table (Table 4.6.1) shows how valid the dependent and independent variable which has been used in conducting this study to determine the factor affecting people's preference towards Islamic credit card. The dependent variable is the people's preference

towards Islamic credit card. And independent variables are the level of knowledge, level of satisfaction, religious belief and social influences. The result shows the values of KMO is 81.3%, 0.813 which is more than 0.6 that is acceptablle while the significant of Bartlett's Test is less than 0.05. Hence, it shows the validity of KMO and Bartlett test are valid. Thus the data set are suitable for factor analysis.

4.3.2 Rotated Component Matrix

Rotated Component Matrix[a]					
	Component				
	1	2	3	4	5
Preference				.817	
Satisfaction		.749			
Satisfaction					
Satisfaction		.733			
Satisfaction					
Satisfaction		.759			
Satisfaction		.822			
Satisfaction		.781			
Satisfaction		.748			
Knowledge					.891
Knowledge					.902
Knowledge					
Knowledge					.751
Knowledge					
Religious					
Religious	.621				
Religious	.633				
Religious	.887				
Religious	.882				
Religious	.863				
Influence			.608		
Influence			.641		

Influence		
Influence		.822
Influence		.868
Influence		.777

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

Table 4.7 Rotated Component Matrix

4.3.3 Factor Loading

Variables	No. of items	Item deleted	α	Factor loading
People preference	5	-	0.875	**.817**
Level of Satisfaction	8	2	0.852	**.749** **.733** **.759** **.822** **.781** **.748**
Level of Knowledge	5	2	0.678	**.891** **.902** **.751**
Religious Belief	6	1	0.893	**.621** **.633** **.887** **.882** **.863**
Social Influences	6	1	0.861	**.608** **.641** **.822** **.868** **.777**

Table 4.8 Factor Loading

Based on the table 4.6.2 and table 4.6.3, it shows the reliability of the items in each and every variables used in the research that support the research itself by measuring these items have factor loading higher than the 0.6 significant level. Meanwhile, there is deleted item in table 4.6.3, showing that there are some items that had been deleted as it is not reliable in this research. The deleted items are 2 items from level of satisfaction variable, 2 items from level of knowledge variable, 1 item each from both religious belief and social influence respectively.

4.4 Frequency Analysis

Based on the tables below, it shows the result of the frequency and percentages of the demographic result based on the research conducted. The demographic results consist of gender, age, education, religious education, bank system used, preferred period using credit card and monthly payment pattern.

4.4.1 Gender and Age

Gender

		Frequency	Percent
Valid	Male	60	41.7
	Female	84	58.3
	Total	144	100.0

Table 4.9 Gender

Age

		Frequency	Percent
Valid	Below 20	9	6.3
	21 - 40	46	31.9
	41 - 60	86	59.7
	Above 60	3	2.1
	Total	144	100.0

Table 4.10 Age

The tables above stating the result of the gender (Table 4.1) and age (Table 4.2). For the gender, about 41.7% of the respondents are male, that are about 60 male respondents from the 144 total respondents. While another 58.3% are from the female respondents, totalling 84 from the 144 total respondents. As for the age, about 6.3 % of the respondents are in the age range below 20 years old, amounting 9 respondents from the total 144 respondents. Another 31.9 % of the respondents involved in this research are from the range of age from 21 to 40 years old and another 59.7% are from the range of 41 to 60 years old which is the highest in age group in this research, amounting 46 and

86 respondents from the total 144 respondents respectively. Lastly, for the age of the respondents, the lowest are from the age range 60 and above, 2.1%, that were only 3 respondents involved in this research.

4.4.2 Education Level

		Frequency	Percent
Education			
Valid	High School	17	11.8
	Diploma	32	22.2
	Degree	73	50.7
	Master	19	13.2
	PhD	3	2.1
	Total	144	100.0

Table 4.11 Education

The table above indicating the frequency results of the education level (Table 4.3). For the education level, for about 73 respondents, that are 50.7% from the total respondents reached degree level and being the highest percentage above the others education level. For the second highest is from diploma level, by 22.2% of the total respondents, amounting 32 respondents. Thirdly from the Master level, by 13.2%, that consist of 19 respondents from the total 144 respondents involved in answering the questionnaire. Next, from the high school level, only by 11.8% from the 144 respondents amounting only 17 respondent and lastly for the lowest frequency, from the Ph.D level, by 2.1% for only 3 respondent from the total 144 respondents of the research.

4.4.3 Religious Education

Religious Education		Frequency	Percent
Valid	No Formal Education	28	19.4
	Primary School	35	24.3
	High School	36	25.0
	Pondok Education	1	.7
	University	44	30.6
	Total	144	100.0

Table 4.12 Religious Education

The table above show the results of the religious education level (Table 4.4). Most of the respondents had their religious education from university as the percentage shows 30.6%, 44 respondents from the total of 144 respondents of the research. The second highest are at high school level, as the table indicated 25.0%, 36 respondents from the total of 144 respondents of the research. Next are the primary school, 24.3% and no formal education, 19.4%, amounting 35 respondents and 28 respondents from the total 144 respondents involved in the research respectively. Lastly, the lowest frequency are from the Pondok education, at 0.7%, by only 1 respondent from the total of 144 respondents involved in the research.

4.4.4 Bank System Used and Preferred Period using Credit Card

Bank System Used		Frequency	Percent
Valid	Islamic Bank only	65	45.1
	Conventional Bank only	6	4.2
	Both Islamic and Conventional Bank	73	50.7
	Total	144	100.0

Table 4.13 Bank System Used

Preferred Period using Credit Card (Year)		Frequency	Percent
Valid	0 - 3	60	41.7
	4 - 5	24	16.7
	6 and above	60	41.7
	Total	144	100.0

Table 4.14 Preferred Period using Credit Card

Based on the two tables above, stating the frequency table of bank system used (Table 4.5) and the preferred period using credit card by year (Table 4.6). For the bank system used, for about 50.7%, 73 of the respondents are using both Islamic and conventional banking system, making it the highest bank system used. While 45.1%, 65 of the respondents only using Islamic banking system, and the other 4.2%, 6 respondents only used conventional banking system, making them the lowest in the order. For the preferred period using credit card, there are two highest frequencies, which are the respondents that preferred to use credit card within the period range from 0 to 3 years and the respondents who preferred to use credit card within the period range of 6 years and above, sharing the same percentages of 41.7%, both amounting 60 respondents from the 144 total respondents. While the other 16.7%, which is 24 of them that only preferred to use credit card within the range of 4 to 5 years.

4.4.5 Monthly Payment Pattern

Monthly Payment Pattern

		Frequency	Percent
Valid	Pay all outstanding balance	73	50.7
	Pay most of outstanding balance	32	22.2
	Pay the minimum payment	36	25.0
	Cannot pay the minimum payment	3	2.1
	Total	144	100.0

Table 4.15 Monthly payment pattern

The table shows the frequency of the preferred monthly payment pattern of the respondents (Table 4.7). For the highest preferred monthly payment pattern, they are willing to pay all the outstanding balance by 50.7%, 73 respondents from the total of 144 respondents involved. Secondly, the respondents prefer to pay the minimum payment by 25.0%, 36 respondents, followed by paying most of the outstanding balance, 22.2%, that are 32 of the respondents, both from the total of 144 respondents involved in the research. Lastly, the most non-preferred way of monthly payment pattern are they not able to pay the minimum payment, by 2.1%, only 3 respondents out of 144 respondents involved in the research.

4.5 Descriptive Analysis

The descriptive analysis is one of the instruments used in this research to determine the general statistical description of each items of the variables in this research. It consists of min, max, mean and standard deviation and its purpose is to describe briefly about the items of the variables. The descriptive analysis would have the minimum scale that shows the least choice of answer made by the respondents.

Therefore the maximum value shows the highest choice of answer made by the respondents in the research either it is positive or negative, for example strongly disagree and strongly agree. While the mean result on the other hand are the crucial information for the researcher to be focused and analysed. As the mean act as the central of tendency, it can be computed by adding all values and being divided by the number of values. Thus if the mean value lesser, it can be determined that there is negative responses while higher mean indicates that positive responses from the respondents.

4.5.1 Level of Satisfaction

Descriptive Statistics				
	N	Minimum	Maximum	Mean
Satisfaction1	144	3.00	5.00	4.3750
Satisfaction2	144	1.00	5.00	4.0069
Satisfaction3	144	3.00	5.00	4.5208
Satisfaction4	144	1.00	5.00	3.7917
Satisfaction5	144	3.00	5.00	4.4167
Satisfaction6	144	2.00	5.00	4.3611
Satisfaction7	144	1.00	5.00	4.3819
Satisfaction8	144	1.00	5.00	4.1667
Valid N (listwise)	144			

Table 4.16 Descriptive - Level of satisfaction

Based on the table above, it shows the independent variable that is the level of satisfaction. The minimum value of indicated in the table are in the range from 1.00, which is the "strongly disagree", based on the scale questions, to 3.00, "neutral", while the maximum value or the highest value ever been chose by the respondents is 5.00 which is "strongly agree" with the statement mentioned in that particular item. As for the mean of the items in this variable, the highest mean come from the Satisfaction 3, by 4.5208, which means most of the respondents agree with the statement mentioned in the item, while the lowest mean is from the Satisfaction 3 by 3.7917, indicating that the respondents have neutral responses, and somehow agree with the item as the mean seems to be close to 4.00.

4.5.2 Level of Knowledge

Descriptive Statistics				
	N	Minimum	Maximum	Mean
Knowledge1	144	1.00	5.00	3.4931
Knowledge2	144	1.00	5.00	3.4861
Knowledge3	144	1.00	5.00	3.1458
Knowledge4	144	1.00	5.00	3.7014
Knowledge5	144	1.00	5.00	2.4583
Valid N (listwise)	144			

Table 4.17 Descriptive - Level of Knowledge

Based on result above shows that the minimum value of the items in the variable, level of knowledge is 1.00 meaning "strongly disagree" and the maximum value is "strongly agree", 5.00. For the mean of this variable, the highest is from the Knowledge 1 by 3.4931, meaning that most of the respondents felt neutral or have balance responses based on the statement mentioned in the item. As for the lowest mean value is the Knowledge 5 by only 2.4583. It can be assume that most of the respondents were not agree on the statement in the item.

4.5.3 Religious Belief

	N	Minimum	Maximum	Mean	Std. Deviation
Descriptive Statistics					
Religious1	144	1.00	5.00	3.9236	.83691
Religious2	144	1.00	5.00	4.0417	.82678
Religious3	144	1.00	5.00	4.2222	.89634
Religious4	144	1.00	5.00	4.3333	.89286
Religious5	144	1.00	5.00	4.3750	.86804
Religious6	144	1.00	5.00	4.3472	.86355
Valid N (listwise)	144				

Table 4.18 Descriptive - Religious Belief

Next, the table above shows the descriptive statistic result of the religious belief items. Based on the table, the minimum value is 1.00, specifically "strongly disagree", while the maximum value is 5.00, that indicates "strongly agree". For the mean of this variable, the highest mean is the Religious 5 by 4.3750, indicating that most of the respondents were agree with the statement in the items. As for the lowest mean, by 3.9236, is Religious 1, indicating that the respondents nearly agree on the statement mentioned in the item.

4.5.4 Social Influences

	N	Minimum	Maximum	Mean	Std. Deviation
Descriptive Statistics					
Influence1	144	1.00	5.00	3.9028	.97751
Influence2	144	1.00	5.00	3.8194	.96551
Influence3	144	1.00	5.00	3.7292	.96960
Influence4	144	1.00	5.00	3.0903	1.27873
Influence5	144	1.00	5.00	2.8958	1.32073
Influence6	144	1.00	5.00	3.3472	1.20209
Valid N (listwise)	144				

Table 4.19 Descriptive - Social Influences

Lastly for the descriptive analysis, is the items of the variable social influences. The minimum value answered by the respondents is 1.00, "strongly disagree", while the maximum value is 5.00, "strongly agree". The highest mean in the other hand holds by item Influences 1 by mean value of 3.9028, indicating the neutral responses from the respondents. While the lowest mean by 2.8958, is the Influence 5, with meaning the respondents were not agree with the statement of the item Influence 5.

4.6 Hypothesis Analysis

This section presents the result of the hypotheses analysis conducted on the four factors influencing people's preference towards Islamic credit card. As for the factors involved, an analysis that being used is binary logistic regression analysis to test the hypothesis of the study.

4.6.1 Binary Logistic Regression

Binary logistic regression analysis purpose is to determine the relationship between the two groups of variables, that is dependent variable (people's preference towards Islamic credit card) and independent variables, the factors affecting people's preference. The result from the logistic regression is given in various tables below. The table 4.20 below shows the logistic regression model classification table.

			Predicted		
			Preference		
Observed			Yes	No	Percentage Correct
Ste p 0	Preference	Yes	113	0	100.0
		No	31	0	.0
	Overall Percentage				78.5

<center>Classification Table^{a,b}</center>

a. Constant is included in the model.

b. The cut value is .500

Table 4.20 The Logistic Regression Model Classification Table

The purpose is based on its ability to classify cases using the logistic functions in the correct group of this table is to provide a statement of the model's predictive ability (Ramamurthy *et. al.*,2008) thus providing the statement of model's predictive ability. Based on the table 4.20 it can be interpreted that the model has high predictive capability of 78.5%. The model correctly predicted 113 out of 113 respondents prefer the Islamic credit card. However the model correctly predicted 0 case out of 31 that not prefer Islamic credit card. Plus the model have a very high predictive ability of 100% in predicting the people that prefer Islamic credit card and 0% in predicting the people that do not prefer Islamic credit card.

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	7.121	8	.524

Table 4.21 Hosmer and Lemeshow Test

The correlation between the actual and predicted values of the dependent variable is investigated by Hosmer and Lemeshow goodness-of-fit statistic. In this case, better model fit is indicated by a smaller difference in the observed and predicted classification. A good model fit is indicated by a non-significant chi-square value. Table 4.21 shows that the significant value is 0.524 which is higher than 0.05 thus determines that it has good model fit.

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	133.249[a]	.110	.170

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Table 4.22 Model Summary

Next, the goodness-of-fit must be examined for this binary logistic regression model. Based on Navarro, Dewhurst & Penalver, 2007, they stated that the Nagelkerke R^2 is usually the most relevant value to report because it corrects the Cox and Snell value until they theoretically achieves 1. Cox and Snell measures assumed or indicated greater model fit if it comes with higher values (Hair *et. al.*, 2006). Therefore, based on table 4.22, this research found that value of the Nagelkerke R^2 is 0.170, which is close to $\pm$ 1. Similarly, the Cox and Snell value is 0.110 that is also $\pm$ 1.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	MeanSatisfaction	-.884	.389	5.174	1	.023	.413
	MeanKnowledge	-.153	.323	.224	1	.636	.858
	MeanReligious	-.701	.370	3.593	1	.058	.496
	MeanInfluences	.165	.313	.278	1	.598	1.180
	Constant	5.151	1.805	8.142	1	.004	172.549

a. Variable(s) entered on step 1: MeanSatisfaction, MeanKnowledge, MeanReligious, MeanInfluences.

Table 4.23 Variables in the Equation

Table 4.23 on the other hand, giving information about the contribution or significance of each variables. Based on the table, it shows the regression coefficient, the standard error of coefficient (S.E), Wald statistic, degree of freedom (df) and the significance level of the coefficient (Sig). It also shows the raltionship between the dependent variable and the independent variable as the Wald test has provided the information about the contribution of each variables.

Based on the Variables in the equation table, refer to column label significant, there are only one variable that are significant in the study, the level of satisfaction. Then, refer to the column Wald, it shows that the level of satisfaction variable is the highest among the variables, by 5.174, making it the highest factor that influencing people's preference towards Islamic credit card, that is the dependent variable.

Based on the column labelled Sig, the value must be less than 0.05 of the significance level. Thus from the table, it shows that only the level of satisfaction variable is significant, by 0.023. Hence, it can be concluded that level of satisfaction influence the people's preference towards Islamic credit card.

4.6.2 Findings on Hypothesis

Research Objectives	Hypothesis Constructed	Results
To determine the relationship between the level of satisfaction and peoples' preference in Islamic credit card.	H0 : There is a significant relationship between the level of satisfaction and people's preference in Islamic credit card. h1: there is no significant relationship between the level of satisfaction and	H null cannot be rejected (p value less than the 0.05)

	people's preference in Islamic credit card.	
To determine the relationship between the level of knowledge and peoples' preference in Islamic credit card.	h0: there is a significant relationship between the level of knowledge and peoples' preference in Islamic credit card. h1: there is no significant relationship between the level of knowledge and peoples' preference in Islamic credit card.	H null rejected (p value higher than the 0.05)
To determine the relationship between the religious background and peoples' preference in Islamic credit card.	h0: There is a significant relationship between the religious background and peoples' preference in Islamic credit card. h1: There is no significant relationship between the religious background and people's preference in Islamic credit card.	H null rejected (p value higher than the 0.05)
To determine the relationship between the social influences and peoples' preference in Islamic credit card.	h0: there is a significant relationship between the social influences and peoples' preference in Islamic credit card. h1: there is no significant relationship between the social influences and	H null rejected (p value higher than the 0.05)

	people's preference in Islamic credit card.	

Table 4.24 Finding on Hypotheses

4.7 Summary

As for the conclusion, this chapter briefly explain the finding based on the data analysed by going through a numbers of analysis using the SPSS software. From the analysis, it can be determined that the respondents knew what were they responded to and the variables are reliable to be used in this research. It also can be concluded that the level of satisfaction do affect the people's preference towards Islamic credit card above all the others variables.

CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.1 Introduction

Based on the result analysed in the previous chapter, there are some points and information that can be gained through the interpretation from the data analysed. Thus this chapter will concluded all the findings concerning on what are the factor that affecting people's preference towards Islamic credit card

5.2 Conclusion

Based on the research conducted, the main objectives are to identify the factor that affect the people's preference towards Islamic credit card. According to past studies, there are many factors proved to be affecting the people's preference towards Islamic credit card or even any Islamic banking products as it can be referred to Amin H., 2013, and Hasanul, Jamil, & Ahmad Zaki, 2009. However, there are only 4 variables or factors being analysed inthis research that is the level of satisfaction, level of knowledge, religious belief and social influences.

After the data being analysed, it comes to result that only the first variable or factor that have affect on the people's preference towards Islamic credit card. The first factor is the level of satisfaction and in this study, it proves that the only factor affecting people's preference is level of satisfaction. It can be determines that people prefer Islamic credit card because they are satisfied with the services, the cost of services they incurred, and other benefit they gain from the product itself.

The other variables, such as the level of knowledge is not being an effective factors that affecting the people's preference towards the product. As it can be interpreted that even though they have knowledge regarding the product, it still not making them want to use the product. Another factor is the religious belief, from the result of this study, it can be assumed that even though the religion of a man is Islam, it does not make him want to

use the Islamic credit card. Thus, religious belief are not directly affect the respondents preference to use Islamic credit card.

The last factor is the social influences. From the result, it proves that social influences are not affecting people's preference towards Islamic credit card. As it can be assumed that, the social life of the people may not affect their decision to prefer Islamic credit card. Lastly, it can be determined that people are using Islamic credit card is solely because of they are satisfied with the product, and not because of their knowledge regarding the product, their religion and even the social influences around them.

5.3 Recommendation

Based on the result of the analysis, there are a few recommendation that can be highlighted and being applied by anyone that maybe related to this study. The first recommendation is increasing the awareness of the people to use the product. As the result clearly indicated that there are not many people who know about it, thus resulting to lower subscriber of Islamic credit card to be compare to the conventional. Hence, government and any other financial institution must increase their effort in increasing people's awareness towards Islamic credit card.

The second recommendation is familiarizing people with the Islamic banking product. Even though most of the part of the society already know about the product or even have awareness about it, they are not use to it, specifically the Islamic credit card itself. Hence, financial institution that offer the facility must take wider step to approach the people thus making them interested to use Islamic credit card. Next, another recommendation that can be made is financial institution must take a consistent step in preserving their quality of service, or even making more improvement from the past performance. As from this study, it determines that level of satisfaction is the factor people are preferring Islamic credit card.

Lastly, the recommendation goes to the future researcher. From this research, it is suggested for the future researcher to use new variables to identify if there are new factors that may affect people's preference towards Islamic credit card. Plus, the future researcher can do this research on other types of scope of study to determine new result regarding the research.

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APPENDICES

Appendix A

Table of Analysis
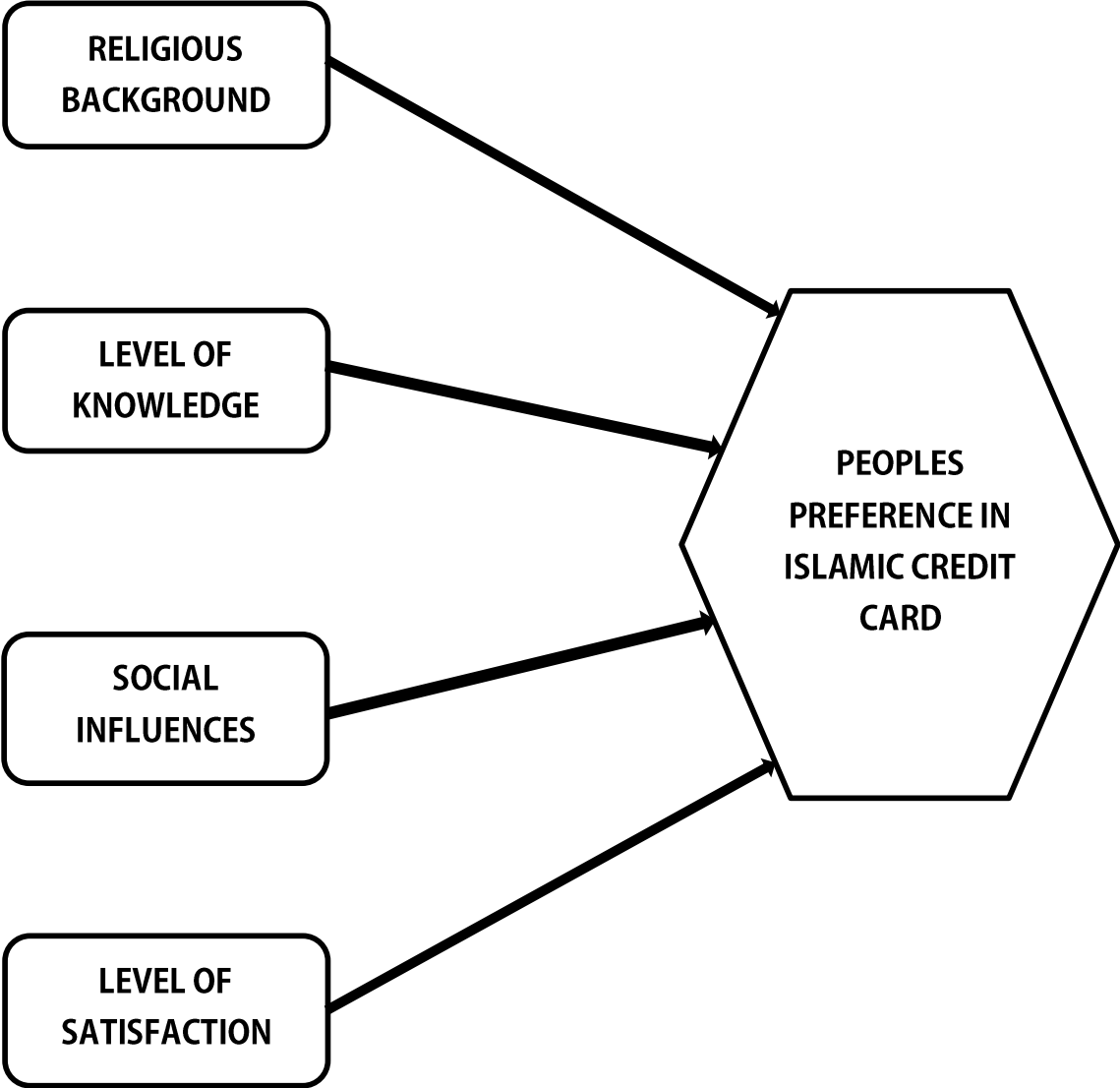
Theoretical Framewor

Reliability Statistic Result

ALPHA COEFFICIENT RANGE	STRENGTH OF ASSOCIATION
$\alpha < 0.6$	Poor
$0.6 \leq \alpha < 0.8$	Acceptable
$8 \leq \alpha < 0.90$	Good
$\alpha \geq 0.9$	Excellent

Level of satisfaction

Cronbach's Alpha	N of Items
.861	6

Level of knowledge

Cronbach's Alpha	N of Items
.678	5

Religious background

Cronbach's Alpha	N of Items
.893	6

Social Influences

Cronbach's Alpha	N of Items
.861	6

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.813
Bartlett's Test of Sphericity	Approx. Chi-Square	2937.098
	df	435
	Sig.	.000

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
Preference				.817	
Satisfaction		.749			
Satisfaction					
Satisfaction		.733			
Satisfaction					
Satisfaction		.759			
Satisfaction		.822			
Satisfaction		.781			
Satisfaction		.748			
Knowledge					.891
Knowledge					.902
Knowledge					
Knowledge					.751
Knowledge					

Religious		
Religious	.621	
Religious	.633	
Religious	.887	
Religious	.882	
Religious	.863	
Influence		.608
Influence		.641
Influence		
Influence		.822
Influence		.868
Influence		.777
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		

a. Rotation converged in 6 iterations.

Factor Loading

Variables	No. of items	Item deleted	α	Factor loading
People preference	5	-	0.875	.817
Level of Satisfaction	8	2	0.852	.749 .733 .759 .822 .781 .748
Level of Knowledge	5	2	0.678	.891 .902 .751
Religious Belief	6	1	0.893	.621

				.633
				.887
				.882
				.863
Social Influences	6	1	0.861	.608
				.641
				.822
				.868
				.777

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	60	41.7	41.7	41.7
	Female	84	58.3	58.3	100.0
	Total	144	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	9	6.3	6.3	6.3
	21 - 40	46	31.9	31.9	38.2
	41 - 60	86	59.7	59.7	97.9
	Above 60	3	2.1	2.1	100.0
	Total	144	100.0	100.0	

Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	17	11.8	11.8	11.8
	Diploma	32	22.2	22.2	34.0
	Degree	73	50.7	50.7	84.7
	Master	19	13.2	13.2	97.9
	PhD	3	2.1	2.1	100.0
	Total	144	100.0	100.0	

Religious Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No Formal Education	28	19.4	19.4	19.4
	Primary School	35	24.3	24.3	43.8
	High School	36	25.0	25.0	68.8
	Pondok Education	1	.7	.7	69.4
	University	44	30.6	30.6	100.0
	Total	144	100.0	100.0	

Bank System Used

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Islamic Bank only	65	45.1	45.1	45.1
	Conventional Bank only	6	4.2	4.2	49.3
	Both Islamic and Conventional Bank	73	50.7	50.7	100.0
	Total	144	100.0	100.0	

Preferred Period using Credit Card (Year)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 3	60	41.7	41.7	41.7
	4 - 5	24	16.7	16.7	58.3
	6 and above	60	41.7	41.7	100.0
	Total	144	100.0	100.0	

Monthly Payment Pattern

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pay all outstanding balance	73	50.7	50.7	50.7
	Pay most of outstanding balance	32	22.2	22.2	72.9
	Pay the minimum payment	36	25.0	25.0	97.9
	Cannot pay the minimum payment	3	2.1	2.1	100.0
	Total	144	100.0	100.0	

Level of Satisfaction

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction1	144	3.00	5.00	4.3750	.69840
Satisfaction2	144	1.00	5.00	4.0069	.99296
Satisfaction3	144	3.00	5.00	4.5208	.62544
Satisfaction4	144	1.00	5.00	3.7917	.90743
Satisfaction5	144	3.00	5.00	4.4167	.70463
Satisfaction6	144	2.00	5.00	4.3611	.74431
Satisfaction7	144	1.00	5.00	4.3819	.81074
Satisfaction8	144	1.00	5.00	4.1667	.99650
Valid N (listwise)	144				

Level of Knowledge

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Knowledge1	144	1.00	5.00	3.4931	.98943
Knowledge2	144	1.00	5.00	3.4861	1.05105
Knowledge3	144	1.00	5.00	3.1458	1.13414
Knowledge4	144	1.00	5.00	3.7014	1.07143
Knowledge5	144	1.00	5.00	2.4583	1.42345
Valid N (listwise)	144				

Religious Belief

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Religious1	144	1.00	5.00	3.9236	.83691
Religious2	144	1.00	5.00	4.0417	.82678
Religious3	144	1.00	5.00	4.2222	.89634
Religious4	144	1.00	5.00	4.3333	.89286
Religious5	144	1.00	5.00	4.3750	.86804
Religious6	144	1.00	5.00	4.3472	.86355
Valid N (listwise)	144				

Social Influences

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Influence1	144	1.00	5.00	3.9028	.97751
Influence2	144	1.00	5.00	3.8194	.96551
Influence3	144	1.00	5.00	3.7292	.96960
Influence4	144	1.00	5.00	3.0903	1.27873
Influence5	144	1.00	5.00	2.8958	1.32073
Influence6	144	1.00	5.00	3.3472	1.20209
Valid N (listwise)	144				

Classification Table[a,b]

			Predicted		
			Preference		
Observed			Yes	No	Percentage Correct
Step 0	Preference	Yes	113	0	100.0
		No	31	0	.0
	Overall Percentage				78.5

a. Constant is included in the model.

b. The cut value is .500

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	7.121	8	.524

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	133.249[a]	.110	.170

a. Estimation terminated at iteration number 5 because parameter estimates changed by less than .001.

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	MeanSatisfaction	-.884	.389	5.174	1	.023	.413
	MeanKnowledge	-.153	.323	.224	1	.636	.858
	MeanReligious	-.701	.370	3.593	1	.058	.496
	MeanInfluences	.165	.313	.278	1	.598	1.180
	Constant	5.151	1.805	8.142	1	.004	172.549

a. Variable(s) entered on step 1: MeanSatisfaction, MeanKnowledge, MeanReligious, MeanInfluences.

Findings on Hypothesis

Research Objectives	Hypothesis Constructed	Results
To determine the relationship between the level of satisfaction and peoples' preference in Islamic credit card.	H0 : There is a significant relationship between the level of satisfaction and people's preference in Islamic credit card. h1: there is no significant relationship between the level of satisfaction and people's preference in Islamic credit card.	H null cannot be rejected (p value less than the 0.05)
To determine the relationship between the level of knowledge and	h0: there is a significant relationship between the level of knowledge	H null rejected (p value higher than the 0.05)

peoples' preference in Islamic credit card.	and peoples' preference in Islamic credit card. h1: there is no significant relationship between the level of knowledge and peoples' preference in Islamic credit card.	
To determine the relationship between the religious background and peoples' preference in Islamic credit card.	h0: There is a significant relationship between the religious background and peoples' preference in Islamic credit card. h1: There is no significant relationship between the religious background and people's preference in Islamic credit card.	H null rejected (p value higher than the 0.05)
To determine the relationship between the social influences and peoples' preference in Islamic credit card.	h0: there is a significant relationship between the social influences and peoples' preference in Islamic credit card. h1: there is no significant relationship between the social influences and people's preference in Islamic credit card.	H null rejected (p value higher than the 0.05)

Questionnaire

I am JBM2495A student from UiTM Johor and I am conducting a research about the selection factors that influence people preference towards Islamic credit card. Answer each question to the best of your ability. All responses will be kept confidential and will only be used for academic purposes. Your kind cooperation is much appreciated.

PART A: DEMOGRAPHIC

Please tick (√) your answer in the appropriate box.

1. Gender:

	Male
	Female

2. Age :

	Below 20
	21 – 40
	41 – 60
	Above 61

3. Education :

	High School
	Diploma
	Degree
	Master

	PhD

4. Bank system used:

	Islamic bank only
	Conventional bank only
	Both Islamic and conventional bank

5. Religious Education:

	No Formal Education
	Primary School
	High School
	Pondok Education
	University
	Oversea Universities

6. Years using credit card (year):

	0-3
	4-5
	6 and above

7. Monthly Payment Pattern

	Pay all outstanding balance
	Pay most of the outstanding balance

	Pay the minimum payment	
	Cannot pay the minimum payment	

PART B: PEOPLE PREFERENCE TOWARDS ISLAMIC CREDIT CARD.

Please tick (√) in the appropriate box.

No	Statements	Yes	No
A4	I like to use Islamic credit card financing		

PART C: INDEPENDENT VARIABLES

Please indicate the level of agreement with each statement by ticking [√] the appropriate column.

1. Customers' Satisfaction

No	Statements	1	2	3	4	5
S1	High management proficiency of the bank can lead to high level of satisfaction of the customers.					
S2	Cost of services of bank can lead to the satisfaction of customers.					
S3	Efficiency of transactions of bank may satisfy the customers.					
S4	Advertising campaign affect the customers' satisfaction to the bank.					
S5	Easy to use					
S6	Widely accepted					

No	Statements					
S7	Confident with card security					
S8	Confident internet shopping					

2. Knowledge on Islamic Banking

No	Statements	1	2	3	4	5
K1	Do have any knowledge about Islamic credit card ?					
K2	Previously, I already know and understand about Islamic credit card scheme					
K4	I always saw Islamic credit card promotion in mass media					
K5	Do you understand the differences between the islamic credit card and conventional credit card?					
K6	Based on your opinion, do you think islamic credit card is for muslim customers ?					

3. Religious Factors

No	Statements	1	2	3	4	5
R1	Islamic credit card is within Islamic Philosophy of doing banking business					
R2	Islamic credit card is based on Islamic principle business implementation					
R3	Islamic credit card is free from riba/interest					
R4	I choose islamic credit card because of my religious belief					

R5	I choose islamic credit card because it is according to Shariah guidelines					
R6	I choose islamic credit card because my adherence toward religious					

4. Social Influences

No	Statements	1	2	3	4	5
I1	Most people who are important to me think that islamic credit card is useful					
I2	Most people who are important to me think that Islamic credit card is beneficial					
I3	Most people are assume me familiar with the need of Shariah					
I4	I choose islamic credit card because of influenced by my family					
I5	I choose islamic credit card because of influenced by my friends					
I6	Most people who are close to me think that I have to choose islamic credit card					

Thank you.