

Perception of Malaysian credit cardholders on conventional cards in comparison to Islamic cards

Abstract

This study determines the perception of consumers to Islamic Credit Cards (henceforth ICCs) in comparative to Conventional Credit Cards (henceforth CCCs). The aim is to determine whether the low ownership of ICCs was resulted from negative perception of ICCs as compared to CCCs. The data collected via questionnaire survey from Malaysian cardholders revealed that the respondents who accepted the existence of ICCs in the market were five times higher as opposed to those who disagreed. The finding was contradicted to the credit card ownership which revealed that the ownership of CCCs was approximately four times higher than ICCs. Based on the eight variables of perception towards the two products; the study revealed that the respondents perceived ICCs at less comparative advantage compared to CCCs. Hence, the findings support that the low ownership of ICCs resulted from the negative perception on the ICCs compared to CCCs. This paper is useful for banking industry, particularly to the issuing financial institutions in measuring customer perception, which of assistance in the expansion of the market share.