

# Factors Influencing the Selection of Islamic and Conventional Credit Cards Among Muslim Workers in Malaysia

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## ABSTRACT

Malaysia is one of the countries known for its Islamic finance and banking sector but the usage rate of Islamic credit cards is still weak compared to the usage of conventional credit cards among Muslim consumers in Malaysia. This study aims to study the factors that contribute to the selection of credit cards among Muslim workers, especially in Selangor, which is also one of the states with the highest state of employment rate in Malaysia. This study uses a quantitative method with an online survey on the purpose sampling technique by respondents among Muslim workers who is experience in credit card usage. Through these findings, the researcher has also formulated several hypotheses related to the level of knowledge, behavior, intention to use, selection factors and customer satisfaction levels towards Islamic and conventional credit cards that they use. The data was analyzed through descriptive and inferential analysis using Excel and SPSS. The main results of the study showed that the level of knowledge and belief in sharia compliance among Islamic credit card users had a higher level of knowledge compared to conventional credit card users. However, the annual charge rate, rewards, attractive promotions and customer satisfaction encouraged Muslim users to continue choosing conventional credit cards. Therefore, more precise and convincing efforts need to be expanded to strengthen Islamic financial education among Muslim users in addition to providing more attractive promotions and service charges that are more profitable for both parties.

**Keywords:** Credit card, Muslim workers, Shariah perception, social influence

## INTRODUCTION

Islamic banking is a new model of finance and banking that originated in the late twentieth century though the concept itself dates back to much earlier principles (Daud et al., 2011). Islamic banking in Malaysia started its official formation in the year 1984, when the Bank Islam Malaysia Berhad (BIMB) was established, and Islamic finance has played a big role in the Malaysia financial system over the last thirty years. Ever since, the introduction of Islamic credit cards as an alternative to conventional credit facilities by the Islamic financial institutions has been one of the significant milestones of continuing to roll out a variety of products that attain the needs of the Islamic consumers (Hanudin et al., 2023). These credit cards are designed to be used in this way to work in accordance with the Shariah rules, namely the issuance of *riba* (usury), *gharar* (uncertainty), and other prohibited components.

Overall, the dual banking system that exists in Malaysia has regulations, which falls under two key legislations: the Financial Services Act (FSA) 2013, provides legal frameworks for conventional financial institutions and Islamic Financial Services Act (IFSA) 2013, provides legal frameworks for the Islamic financial institutions. Ensuring that every transaction complies with Shariah principles is ensured through the IFSA 2013 which plays a key role in Islamic finance. Notably, through the Shariah Advisory Council (SAC) of Bank Negara Malaysia

(BNM), clear Shariah standards have been developed to regulate Islamic banking contracts and operations, including those related to credit cards (Laldin, 2018).

In recent years, credit cards have become one of the most commonly used financial tools worldwide, including in Muslim-majority countries such as Malaysia. Especially for working adults in urban areas, credit cards are one of the conveniences for daily transactions, online purchases and bill payments that have made them a very important tool today. Many Malaysians now hold multiple credit cards, whether for personal spending or business-related transactions (Shahwan & Mohd Dali, 2007).

As the demand for credit cards continues to increase, concerns have been raised among Muslim consumers regarding the use of conventional credit cards, which usually involve interest charges. Accordingly, Islamic credit cards have been introduced by Islamic financial institutions as a Sharia compliant alternative designed to avoid *riba* and *gharar* to address these issues. These Islamic credit cards are structured using various Islamic contracts such as *bai' al-'inah*, *tawarruq*, and *ujrah*, depending on the issuing bank (Hanudin et al., 2023). The Ambank Al-Tasliif credit card was the first Islamic credit card in Malaysia which was launched in 1996 using the *bai' al-'inah* concept (Abdul Razak et. al., 2019)

It has been observed that despite the availability of Islamic credit cards in Malaysia, a huge proportion of Muslim customers still choose the conventional credit cards. This scenario begs the following question; what are the determinants behind the option to use either an Islamic or a conventional credit card especially among Muslim working adults in Malaysia especially in Selangor which highest state of employment rate in Malaysia? Though there are varied studies conducted on the benefit and satisfaction of credit cards in general, there is limited research done on the causes, awareness, satisfaction level and their religious concerns that drive Muslim employees in Malaysia in choosing their preferred credit cards.

## METHODOLOGY

This study uses a quantitative design based on purposive sampling technique analysis. This is a type of non-probability sampling, where the researcher selects respondents not by random chance, but based on specific reasons or criteria. The technique was selected because it helps the researcher to pursue a specific target of Muslim workers in Malaysia who have used the Islamic and/or conventional credit cards. This plays an important role in making sure that the data which is recorded is relevant, concentrated, and in line with the objectives of the study. Moreover, the purposive sampling is time and cost effective particularly in cases where the population is large, and the researcher would not have a substantial amount of time to collect all the data. It will also prevent the recruiting of answers of those people who do not meet inclusion criteria.

Data collection was done through conducted online using Google Forms. This method was selected because it is effectiveness cost, efficient of time, and capable of reaching a large number of respondents within a short period. Google Forms is also accessible and user-friendly, and it allows for automatic compilation of responses, which helps reduce manual errors and speeds up the data analysis process. Furthermore, the questionnaire link was distributed via commonly used communication platforms such as WhatsApp and Telegram. Since many working adults in Selangor actively use these platforms, this strategy helped improve accessibility and response rate, especially among Muslim employees who met the study's target criteria. The questionnaire included five-point Likert scale items and was divided into six sections:

1. Section A: Demographic Information
2. Section B: Knowledge Level on Islamic and Conventional Credit Cards
3. Section C: Confidence Level On Shariah Compliance, Ethics And Financial Aspects Of Islamic Credit Cards
4. Section D: Factors Influencing Credit Card Selection Section E: Behavior & Intentions Of Using Credit Cards
5. Section F: Level of Satisfaction Toward Credit Cards.

Next, the researcher conducted the mix of descriptive and inferential statistics to analyze the data captured in the questionnaire by use of SPSS Software and Microsoft excel. The nature of descriptive statistics was that of giving a general view of the personal traits and how the respondents answered, and inferential statistics was used to establish the underlying relationships amid the variables being studied. These statistics were applied in the analysis of respondent profiles including their age, gender and level of education as well as examining the trend and distribution of answers given on the level of knowledge, perception and behavior towards the Islamic and conventional type of credit cards. The significance of descriptive statistics in this study is that they can give background to the general direction of the data collected. SPSS was used in this study primarily for descriptive statistical analysis because it offers advantages in terms of accuracy, systematic data layout, and time efficiency. However, due to time constraints and technical access, some of the analysis was also carried out manually using Microsoft Excel. This approach was taken as a practical alternative and still able to provide valid and reliable results. Excel was used specifically in the data cleaning phase, basic calculations, and exporting data into SPSS when needed. Overall, the combined use of SPSS and Excel allows researchers to conduct data analysis efficiently and flexibly. This combination of descriptive and inferential statistics is in line with the needs of the study which not only seeks to describe the data, but also statistically assess the relationship between variables related to the use of Islamic and conventional credit cards among Muslim workers in Malaysia.

## RESULTS AND DISCUSSIONS

### Factors of Influencing the Credit Card Selection

The choice between Islamic and conventional credit cards does not only depend on the physical characteristics of the product such as credit limit or interest rate. On the other hand, consumer decisions, especially Muslim consumers, are influenced by various other factors of psychological, social, and religious value. In the context of Malaysia, as a Muslim-majority country, understanding and evaluation of Sharia principles also plays an important role. Among the factors identified through past studies are the following:

#### Level of Knowledge and Awareness of Islamic Credit Cards

The level of knowledge of consumers about Islamic credit cards plays an important role in determining the tendency to choose the product. Many Muslim consumers do not fully understand the basic principles that distinguish Islamic credit cards from conventional cards, especially in terms of Sharia contracts such as *bai' al-'inah*, *tawarruq*, and *ujrah* (Mohamad et al., 2022). Confusion in this terminology causes many to be unsure of the validity of Islamic products even though the products are said to comply with Sharia. According to Amin (2013), a high level of Islamic financial literacy is positively correlated with interest in choosing an Islamic credit card. This is supported by Ismail et al. (2014) who stated that the perception of product understanding, including contract structure, charges, and Sharia objectives are key factors in forming a positive attitude towards the use of Islamic products.

Besides, Hanudin et al. (2023) demonstrated that the absence of information and education in Islamic finance leads to the way consumers make decisions on a habitual basis without prior knowledge. They are more likely to select the standard cards since they are more famous and popular among the financial institutions. Thus, preventing it at an early age through the education system and awareness campaigns is very vital. Abdul Razak et al. (2019) reinforce this by indicating that cooperation between financial institutions and the government could improve the situation with educational data presented in a clear and easy to understand form to make people make better decisions.

#### Religious Factors

Religion also comes in to affect the choice of financing products by the Muslim community. Most customers turn to Islamic credit cards because they do not want to incur any *riba* (usury), *gharar* (uncertainty), and other prohibited components of the usual economic system (Abdul Razak et al., 2019; Mohd Dali et al., 2015). Muslims have to make sure that all their dealings are halal hence they are more cautious when choosing financial products. Another paper by Hanudin et al. (2023) concurs with that issue that religious motivation is one of the primary causes of customers having Islamic credit cards. Financial decisions are made on the basis of values of integrity, honesty and compliances to religious injunctions.

As it was explained by Amin (2013), such factors as subjective norms, which is the perception of necessity of people around a person play a significant role in shaping the intention to use Islamic products. With a society that promotes a religious way of living, consumers will be more acceptable and comfortable in using Islamic products.

### **Influence by Family, Friends, and Community**

A family and friends are always the primary references to make financial decisions, including receiving a credit card. Idris (2013) conducted a study that detected that the attitude of the family and friends toward Islamic credit cards has an important influence on the intention of its utilization. People are more choose to use Islamic credit cards more when they perceive their peers and close relatives have a good experience with it. Family influence is also viewed as a factor that affects credit card usage. Family influence and personal experience are the key means of learning to use credit effectively and the main sources of financial knowledge (Hilgert & Hogarth 2003). Parents, schools, peers and the media are all part of a young person's learning and socialization from birth to adulthood (Mansfield et al. 2003). All of these factors influence a young person's credit awareness or awareness of the advantages and disadvantages of credit cards. Parents, schools, peers, and the media also play a role in influencing young adult consumer behavior.

However, parents have the greatest influence on young people's credit card behavior (Ismail et al. 2011). Financial socialization is more comprehensive than learning to function effectively in the marketplace. It is the process of acquiring and developing values, attitudes, standards, norms, knowledge, and behaviors that contribute to an individual's financial viability and well-being. In addition, children learn about finances through observation; positive reinforcement; practice and participation; and most effectively through instruction from parents.

Furthermore, according to Amin (2013), social influence does not only occur in the form of direct advice, but also through "modeling behavior" when someone imitates the behavior of others who are respected or trusted. Therefore, marketing strategies based on community approaches and real user testimonials can increase acceptance of Islamic credit cards, especially among those who are still skeptical or uninformed. Media also plays a vital role in influencing people to use credit cards. Media, which is designed specifically to reach a large audience or viewers (Daley 2003), has contributed to the increased interest among college students to use credit cards (Ismail et al. 2011). Various credit card issuers have developed extensive advertising campaigns utilizing the local media in order to compete intensively and to increase the usage of credit cards. In addition, advertising through a variety of media platforms such as television, radio, magazines and newspapers target high income professionals and white collar workers as a means of inducing them to become active card holders (Ramayah et al. 2002).

### **Consumer Attitudes and Behavior**

The values, beliefs, information, and experience are also a factor of consumer attitudes towards Islamic products. The intention and behaviour of using Islamic credit cards are influenced by positive attitudes to fairness and transparency in contracts as well as by the Shariah compliant behaviour. According to Amin (2013), under the condition of confidence in the Islamic features of the product, attitudes developed according to it can develop interest in using the product. Ismail et al. (2014) also state that positive attitudes are also expressed with regard to perceptions of the operational efficiency of the Islamic credit cards including payment convenience, service charges, and consumer protection. In case consumers find the Islamic products as a better or equal value to switching traditional cards, the switching behavior would indicate more alacrity to switch.

Abdul Razak et al. (2019) study also revealed that consumer behavior is also determined by the costs of usage. As long as the customers believe that the annual fee or late payment fee of an Islamic credit card is more equitable or considerably light than others, then the customers will be more inclined to select them. According to a research conducted by Mohd Dali et al. (2015), consumers reported that they too base their attitude towards Islamic credit cards on the experience they have in getting good customer service and the belief that the Islamic credit card is Sharia compliant. This brings out the fact that we cannot forget about emotional and trust aspects when analyzing consumer behavior.

### **Descriptive Analysis from Respondent Survey Results**

This section presents the descriptive analysis of the data collected from 390 respondents in Selangor is a highly

relevant and strategic location for this study. As the most urbanised and economically developed state in the country, Selangor offers greater accessibility to both Islamic and conventional credit card facilities through various financial institutions (Musa, 2024). Based on DOSM (2023), Selangor also has a higher concentration of working professionals, especially among Muslims in their 30s and 40s. These characteristics make Selangor an ideal setting to explore the awareness, perceptions, behaviours, and selection factors of Muslim consumers in relation to Islamic and conventional credit cards, especially within a modern financial ecosystem where both options are readily available.

Those respondents which is 154 females and 236 males participated in this survey. All of them with a monthly income between RM2,000 – RM3,999, 135 (34.6%) respondents with a monthly income between RM4,000 – RM5,999 and only 29 (7.4%) respondents with a monthly income above RM8,000. Descriptive statistics are used to summarise and explain the general patterns and trends in the responses. These include frequency, percentage, and mean values to describe respondents levels of knowledge, perceptions, behaviours, and satisfaction towards Islamic and conventional credit cards. The purpose of this analysis is to provide an overall picture of the respondents’ characteristics and their credit card selection preferences without testing any statistical relationships between variables.

### Level Of Knowledge Of Islamic & Conventional Credit Cards

The statement “I understand the concept of riba and why it is prohibited in Islam” has the highest value of 3.13. A total of 58 (14.9%) respondents strongly disagreed, 79 (20.3%) respondents disagreed, 85 (21.8%) respondents were unsure, 90 (23.1%) respondents agreed and 78 (20.0%) respondents strongly agreed with this statement. Meanwhile, the statement with the lowest value was “I know that Islamic cards use contracts such as ujah, tawarruq or qard al-hasan” with a mean value of 2.77. A total of 95 (24.4%) respondents strongly disagreed, 80 (20.5%) respondents disagreed, 59 (15.1%) respondents were unsure, 133 (34.1%) respondents agreed and 23 (5.9%) respondents strongly agreed with this statement. All these statements and data can be referenced in table 1.

No	Statement	Strongly disagree Total (%)	Disagree Total (%)	Not sure Total (%)	Agree Total (%)	Strongly agree Total (%)	Min
1	I know the basic differences between Islamic credit cards and conventional credit cards.	74 (19.0)	100 (25.6)	55 (14.1)	120 (30.8)	41 (10.5)	2.88
2	I know that Islamic credit cards do not charge any riba (interest).	60 (15.4)	85 (21.8)	82 (21.0)	93 (23.8)	70 (17.9)	3.07
3	I know that Islamic cards use contracts such as ujah, tawarruq or qard al-hasan.	95 (24.4)	80 (20.5)	59 (15.1)	133 (34.1)	23 (5.9)	2.77
4	I understand the concept of usury and why it is prohibited in Islam.	58 (14.9)	79 (20.3)	85 (21.8)	90 (23.1)	78 (20.0)	3.13

5	I am aware that the Islamic card meets syariah guidelines monitored by the Shariah Advisory Council.	96 (24.6)	79 (20.3)	62 (15.9)	120 (30.8)	33 (8.5)	2.78
6	I can differentiate between the operational structure of Islamic and conventional cards.	91 (23.3)	82 (21.0)	58 (14.9)	108 (27.7)	51 (13.1)	2.86

**Table 1**

**Views On Shariah Compliance, Ethics And Financial Aspects Of Islamic Credit Cards**

The statement “I believe that Islamic cards are not only about religion, but also offer financial stability to consumers, especially Muslim consumers” has the highest value of 3.25. A total of 35 (9.0%) respondents strongly disagreed, 44 (11.3%) respondents disagreed, 166 (42.6%) respondents were unsure, 79 (20.3%) respondents agreed and 66 (16.9%) respondents strongly agreed with this statement. Meanwhile, the statement with the lowest value was “I am more comfortable using Islamic cards because they fulfill demands from religion” with a mean value of 2.98. A total of 69 (17.7%) respondents strongly disagreed, 56 (14.4%) respondents disagreed, 142 (36.4%) respondents were unsure, 60 (15.4%) respondents agreed and 63 (16.2%) respondents strongly agreed with this statement. All these statements and data can be referenced in table 2.

No	Statement	Strongly disagree Total (%)	Disagree Total (%)	Not sure Total (%)	Agree Total (%)	Strongly agree Total (%)	Min
1	I think and believe that Islamic credit cards are more compliant with Shariah principles and Islamic financial ethics.	36 (9.2)	49 (12.6)	163 (41.8)	75 (19.2)	67 (17.2)	3.23
2	Using an Islamic card helps maintain financial integrity as a Muslim.	37 (9.5)	51 (13.1)	167 (42.8)	75 (19.2)	60 (15.4)	3.18
3	I think and believe that Islamic credit card service charges are fairer than conventional credit cards.	37 (9.5)	46 (11.8)	167 (42.8)	75 (19.2)	65 (16.7)	3.22
4	I am more comfortable using an Islamic card because it fulfills religious requirements.	69 (17.7)	56 (14.4)	142 (36.4)	60 (15.4)	63 (16.2)	2.98

5	I am confident that Islamic financial institutions truly follow Shariah guidelines.	35 (9.0)	43 (11.0)	177 (45.4)	72 (18.5)	63 (16.2)	3.22
6	I believe that Islamic cards are not just about religion, but also offer financial stability to users, especially Muslim users.	35 (9.0)	44 (11.3)	166 (42.6)	79 (20.3)	66 (16.9)	3.25

Table 2

**iii. Credit Card Selection Factors**

There were 6 statements asked to respondents regarding factors in choosing a credit card. “I choose a credit card based on repayment convenience” had the highest value of 4.28. A total of 16 (4.1%) respondents strongly disagreed, 38 (9.7%) respondents disagreed, 2 (0.5%) respondents were unsure, 97 (24.9%) respondents agreed and 237 (60.8%) respondents strongly agreed with this statement. Meanwhile, the statement with the lowest value was “Shariah-compliant factors play an important role in choosing my card” with a mean value of 2.49. A total of 186 (47.7%) respondents strongly disagreed, 65 (16.7%) respondents disagreed, 10 (2.6%) respondents were unsure, 19 (4.9%) respondents agreed and 110 (28.2%) respondents strongly agreed with this statement. All these statements and data can be referenced in table 3.

No	Statement	Strongly disagree Total (%)	Disagree Total (%)	Not sure Total (%)	Agree Total (%)	Strongly agree Total (%)	Min
1	Shariah-compliant factors played an important role in my card selection.	186 (47.7)	65 (16.7)	10 (2.6)	19 (4.9)	110 (28.2)	2.49
2	I chose a card based on the annual charge rate and management fee.	18 (4.6)	42 (10.8)	4 (1.0)	102 (26.2)	224 (57.4)	4.21
3	My choice was influenced by the promotions and rewards (rewards, points, bonuses) offered by the bank.	17 (4.4)	45 (11.5)	4 (1.0)	99 (25.4)	22 (5.7)	4.21

4	Ease of use (access, online banking) is important in my selection.	45 (11.5)	52 (13.3)	11 (2.8)	102 (26.2)	180 (46.2)	3.82
5	I chose a credit card based on the ease of repayment.	16 (4.1)	38 (9.7)	2 (0.5)	97 (24.9)	237 (60.8)	4.28
6	I choose a credit card based on recommendations from friends, family or people around me.	39 (10.0)	41 (10.5)	2 (0.5)	65 (16.7)	243 (62.3)	4.11

Table 3

**Consumer Behaviour and Intention to Use**

There were 6 statements asked to respondents regarding credit card usage behavior and intention. “In the future, I might be more inclined to choose an Islamic credit card if it is easy to use and flexible” had the highest value of 3.98. A total of 39 (10.0%) respondents strongly disagreed, 11 (2.8%) respondents disagreed, 83 (21.3%) respondents were unsure, 44 (11.3%) respondents agreed and 213 (54.6%) respondents strongly agreed with this statement. Meanwhile, the statement with the lowest value was “I actively use Islamic credit cards for my daily purchases” with a mean value of 2.27. A total of 235 (60.3%) respondents strongly disagreed, 22 (5.6%) respondents disagreed, 1 (0.3%) respondent was unsure, 55 (14.1%) respondents agreed and 77 (19.7%) respondents strongly agreed with this statement. All these statements and data can be referenced in table 4.

No	Statement	Strongly disagree Total (%)	Disagree Total (%)	Not sure Total (%)	Agree Total (%)	Strongly agree Total (%)	Min
1	I actively use an Islamic credit card for my daily purchases.	235 (60.3)	22 (5.6)	1 (0.3)	55 (14.1)	77 (19.7)	2.27
2	In the future, I plan to continue using conventional credit cards even though there are Islamic credit card options on the market.	119 (30.5)	24 (6.2)	93 (23.8)	53 (13.6)	101 (25.9)	2.98
3	In the future, I will prefer credit cards based on ease of use, regardless of whether the credit card is Islamic or conventional.	111 (28.5)	33 (8.5)	83 (21.3)	63 (16.2)	100 (25.6)	3.02



4	In the future, I may be more inclined to choose a credit card based on rewards and promotions, regardless of whether the credit card is Islamic or conventional.	111 (28.5)	33 (8.5)	82 (21.0)	65 (16.7)	99 (25.4)	3.02
5	In the future, I might be more inclined to choose an Islamic credit card if it is easy to use and flexible.	39 (10.0)	11 (2.8)	83 (21.3)	44 (11.3)	213 (54.6)	3.98
6	I actively use conventional credit cards for my daily purchases.	127 (32.6)	5 (1.3)	8 (2.1)	45 (11.5)	205 (52.6)	3.50

Table 4

**v. Level of Satisfaction with Credit Cards**

The statement “I am satisfied with the credit card services I currently

use” has the highest value of 4.18. A total of 4 (1.0%) respondents disagreed, 77 (19.7%) respondents were unsure, 153 (39.2%) respondents agreed and 156 (40.0%) respondents strongly agreed with this statement. Meanwhile, the statement with the lowest value is “I am satisfied with the charge/profit rate charged” with a mean value of 4.04. A total of 1 (0.3%) respondents strongly disagreed, 19 (4.9%) respondents disagreed, 94 (24.1%) respondents were unsure, 127 (32.6%) respondents agreed and 149 (38.2%) respondents strongly agreed with this statement. All these statements and data can be referenced in table 5.

No	Statement	Strongly disagree Total (%)	Disagree Total (%)	Not sure Total (%)	Agree Total (%)	Strongly agree Total (%)	Min
1	I am satisfied with the credit card service I am currently using.	0 (0.0)	7 (1.8)	77 (19.7)	154 (39.5)	152 (39.0)	4.16
2	I am satisfied with the charge/profit rate charged.	1 (0.3)	19 (4.9)	94 (24.1)	127 (32.6)	149 (38.2)	4.04
3	I am satisfied with the rewards and promotions given.	0 (0.0)	14 (3.6)	77 (19.7)	142 (36.4)	157 (40.3)	4.13
4	I am satisfied with the convenience of repaying the credit card I am currently using.	0 (0.0)	4 (1.0)	77 (19.7)	153 (39.2)	156 (40.0)	4.18
5	I am satisfied with the service provided by the officers and the financial institution itself.	0 (0.0)	9 (2.3)	87 (22.3)	150 (38.5)	144 (36.9)	4.10

Table 5

**Inferential Analysis**

This section presents the findings of inferential statistical analysis used to test the hypotheses developed in this study. The goal is to determine whether there is a statistically significant relationship between selected independent variables (e.g., knowledge, promotional factors, level of satisfaction) and the type of credit card used (Islamic or conventional). Hypotheses are tested using independent sample t-tests in Microsoft Excel, with the significance level set at  $p < 0.05$ .

**Hypothesis 1: The Correspondence between Knowledge Level and Type of Credit Card Used**

The first hypothesis of the research is to identify whether there exists a considerable connection between the amount of consumer awareness regarding Islamic credit cards as well as the kind of credit card used by the consumer. The hypothesis is based on the problems of the past research that demonstrates that lots of users are not aware of the structure and contracts applied in the Islamic credit cards like *ujrah* and *tawarruq*. Abdul Razak et al. (2019) established that respondents who used this service in Selangor (individuals were the respondents of their study) had a low level of knowledge about contracts such as *bay al-inah* and *tawarruq*. Such concepts are regarded as complicated and not easily accessible to a normal consumer.

Besides, based on Ismail et al. (2014) study, many consumers are also unaware of the distinct differences between Islamic credit cards that use the *ujrah* concept and conventional cards based on *riba* (interest). This confusion leads to misconceptions and eventually negative perceptions of Islamic financial products, including credit cards. The issue surrounding the *ujrah* concept was also raised by Mohd Safie Bin Fozi and Syairazi Muhammad Husni Bin Mohd Sharoni (2022) in their study. There is a misconception that the Islamic credit card is similar to the credit card in terms of agreements, operations, and frameworks due to a negative perception and a lack of knowledge and understanding of Islamic banking products (Mohd Dali, 2014).

The tested hypotheses are as follows:

- H0 (Null Hypothesis): There is no significant difference between the level of consumer knowledge and the type of credit card used.
- H1 (Alternative Hypothesis): There is a significant difference between the level of consumer knowledge and the type of credit card used.

<i>Statistics</i>	<i>Value</i>
Mean (Islamic Credit Card)	3.913711584
Mean (Conventional Credit Card)	2.350736278
Observations	6
P-value	0.05
P(T<=t) two-tail	5.22208E-08

Table 6

Therefore, to test Hypothesis 1, an Independent Sample t-Test was conducted to determine whether there is a significant difference in the level of knowledge about Islamic credit cards between users of Islamic and conventional credit cards. The knowledge score was calculated based on six Likert-scale items, and the mean scores for each group were compared. The results revealed that the mean knowledge score among Islamic credit card users was 3.91, while the mean score among conventional credit card users was 2.35. The p-value obtained from the two-tailed t-test was 5.22208E-08, which is far below the significance level of 0.05. Therefore,

the null hypothesis (H0) is rejected, and the alternative hypothesis (H1) is accepted.

The results of this hypothesis show that the level of knowledge of users and the type of credit cards they use have a significant difference. This can be clearly seen through a person's knowledge of the structure of credit cards, the basic differences between Islamic and conventional credit cards, the contracts used, elements such as 'riba', gharar and others directly influence their choice of credit cards.

Therefore, higher levels of knowledge tend to make choices in line with the principles they understand. On the other hand, users who are less knowledgeable or less sure about the differences or principles will choose factors other than Shariah factors in their credit card selection. These other factors are such as reward factors, charges applied, rewards and others. This is in line with a study by Abdul Razak et al. (2019) which explains that Shariah principles play a very important role in shaping financial decisions among Muslims.

### Hypothesis 2: The Confidence Level of Credit Card Users Towards Shariah Compliance

The literature review, which was the foundation of this hypothesis, revealed that, despite the marketing of Islamic credit cards being done as the ones that do not compromise the Shariah, there is a certain number of consumers that do not believe that financial institutions actually observe the Islamic principles (Hanudin et al., 2023; Abubakar & Abdullah, 2022). This skepticism is more pronounced among conventional credit card users who do not choose Islamic cards despite being aware of their existence.

#### The tested hypotheses are as follows:

- H0 (Null Hypothesis): There is no significant difference in the confidence level of Shariah compliance among users of Islamic and conventional credit cards.
- H1 (Alternative Hypothesis): Users of conventional credit cards have significantly lower confidence level of Shariah compliance compared to users of Islamic credit cards.

Statistics	Value
Mean (Islamic Credit Card)	4.223404255
Mean (Conventional Credit Card)	2.586345382
Observations	6
P-value	0.05
P(T<=t) two-tail	1.85993E-06

Table 7

Therefore, an Independent Sample t-Test was conducted using the mean score values from six questionnaire items that measured the level of confidence in Shariah compliance. The results showed that the mean for Islamic credit card users (M = 4.22) was significantly higher compared to conventional credit card users (M = 2.59). The p-value was < 0.05, specifically 1.85993E-06 (0.000001859), thus the null hypothesis (H<sub>0</sub>) is rejected, and the alternative hypothesis (H<sub>1</sub>) is accepted.

This indicates that there is a significant difference in the level of confidence in Shariah compliance between Islamic and conventional credit card users. Specifically, conventional credit card users show a much lower level of confidence in Islamic cards compared to those who actually use Islamic cards.

This is supported by Billah (2007), who found that Islamic credit card promotions are similar to conventional promotions. He implied that some extra elements should be present like ethical values and unique concepts so that the customer is able to note some noticeable differences (Amin et al., 2014). Hanudin et al. (2023) research on consumer confidence in the genuine Shariah compliance of Islamic credit cards also supports this issue. Although consumers use the product due to religious beliefs, they remain skeptical and lack confidence in the

efficiency of compliance with Shariah principles by financial institutions. The loss of this trust will cause consumers to tend to choose conventional products.

**Hypothesis 3: Social Influence & Convenience vs Credit Card Type**

This hypothesis has been formulated to address a question which aims at testing the effects of the social factors, as implied by the advice given by friends, relatives, or other individuals surrounding the respondent in influencing the kind of credit cards utilized by the Muslim consumers, either the Islamic credit cards or conventional credit cards.

**The tested hypotheses are as follows:**

- H0 (Null Hypothesis): Social influence and convenience factors are not significantly correlated with the type of credit card that is used by the Muslims.
- H1 (alternative Hypothesis): Social influence and convenience factors are significantly correlated with the type of credit card that is used by the Muslims.

<i>Statistics</i>	<i>Value</i>
Mean (Islamic Credit Card)	2.680851064
Mean (Conventional Credit Card)	4.690763052
Observations	2
P-value	0.05
P(T<=t) two-tail	0.109344295

Table 8

To test this hypothesis, a t-Test analysis was conducted to compare the mean scores of social influence between two groups of credit card users: Islamic credit card users and conventional credit card users. The presence of these items was measured on a 5-point likert scale with the statements including, “I choose a credit card based on recommendations from friends, family or people around me” and “Ease of use (access, online banking) is important in my selection.”

The findings indicated that the average value of the users of conventional credit card (M = 4.69) was significantly higher than that of the users of Islamic credit card (M = 2.68) which was indicative of the fact that the social and convenience factors are more evident in users of conventional credit cards. Nonetheless, the p-value that was derived using t-test was 0.109, which exceeds the level of significance 0.05. As such, the null hypothesis (H0) is accepted and alternative hypothesis (H1) is rejected.

This means that although conventional card users appear to prefer criteria such as being easily influenced by social recommendations and convenience, this discrimination is not statistically significant. In contrast, according to the data, social influence and convenience are not the main factors determining the type of credit card (Islamic or conventional) used by Muslim users in this sample. These results indicate that while there are visible observations that peer recommendations and ease of access have some impact on consumer decisions, they do not stand out to show any significant differences. It could also mean that elements such as personal values, Sharia compliance, or promotional aspects are taken more seriously in the selection of credit cards by Muslim users. This can be said especially for Islamic credit card users who truly understand the concept of shariah in Islamic credit cards, are not significantly influenced by social and convenience of products.

This observation is contrary to that of Idris and Jan (2013) which concluded that family members, peers, and the community around individuals most times influence the financial decisions. Besides, their study provided that the most inexperienced users mimic the financial decisions of more experienced ones, even those contradicting the principles of Shariah. The study that however revealed in the current study the results of the statistical analysis was that there was no significant difference between users of the Islamic and conventional credit cards

on the basis of social influence and convenience factors. This could imply that credit card decisions in this sample of Muslim employees in Selangor could be more based on the concept of personal beliefs or financial literacy or even value other than just social or convenience factors. Therefore, social influence may still be present but not to the extent where it will have the greatest influence on the choice among consumers between the two types of Islamic and conventional credit cards in this context.

**Hypothesis 4: The Impact of Service Satisfaction and Promotions on Credit Card Choice**

This hypothesis was formulated as a quest to analyse the effectiveness of satisfaction with rewards and services provided by financial institutions on identification of the kind of credit card used by the Muslim consumers Islamic or conventional credit card. This is anchored on the repeatedly mentioned concern in literature of the past that would suggest that traditional credit cards have more likely to provide a more appealing promotion that includes cash back, reward point and other privileges than the Islamic credit cards. It is possible to identify these benefits as the reasons why religious users remain attracted to using traditional options, despite the issues related to the presence of riba and the conformity of the practices to the Shariah (Abdul Razak et al., 2019; Mohd Dali et al., 2014).

**The tested hypotheses are as follows:**

- H0 (Null Hypothesis): Satisfaction levels towards promotions and services do not show significantly between Islamic and conventional users of credit cards.
- H1 (Alternative Hypothesis): Satisfaction with promotions and services show significant differences between the use of Islamic and conventional credit cards.

<i>Statistics</i>	<i>Value</i>
Mean (Islamic Credit Card)	3.719858156
Mean (Conventional Credit Card)	4.341365462
Observations	2
P-value	0.05
P(T<=t) two-tail	0.034632716

Table 18

In order to ascertain this, a t-Test was made between the average worth of two questions touching on user satisfaction of the following: “I am satisfied with the rewards and promotions given” and “I am satisfied with the service provided by the officers and the financial institution itself.” The answers were categorised by the type of credit card Islamic or conventional.

The results indicate that the Islamic credit card users come about with a mean satisfaction score of 3.72, as opposed to conventional credit card users whose mean lies considerably much higher at 4.34. The value of p is found to be 0.0346, less than the value of 0.05 of significance. This means that the raw hypothesis (H0) is denied and the alternative hypothesis (H1) is approved.

This finding indicates that the mean difference between Islamic and conventional credit card users in respect to satisfaction is statistically significant especially in areas of promotions and service quality. To be more precise, the satisfaction among the users of the conventional credit cards is reportedly greater than among other users. This gives confidence to the few literature that mention that a large number of Muslim users are attracted to conventional credit cards not solely by the absence of religious sensitivity, but because of the attractive economics and apparent ease of using the said products.

**CONCLUSION**

The conclusion for this study, the findings indicate that knowledge and confidence in Shariah compliance

significantly differentiate Islamic and conventional credit card users. Islamic credit card users demonstrate higher awareness of Shariah principles, contractual structures, and prohibited elements such as usury (*riba*) and uncertainty (*gharar*), while conventional card users show lower confidence in the Shariah compliance of Islamic credit cards despite acknowledging the importance of religion. Social influence and convenience were found to be insignificant in determining card choice, whereas satisfaction-related factors particularly rewards, promotions, charges, and service quality play a major role, especially among conventional credit card users. Overall, the relatively lower adoption of Islamic credit cards is closely linked to limited user knowledge, persistent doubts regarding Shariah transparency, and less competitive benefits compared to conventional credit cards.

In terms of future studies, further research is recommended to expand the geographical scope beyond Selangor, Malaysia to enhance the generalisability of the findings across Malaysia or other Muslim-majority contexts. Future studies may also adopt qualitative or mixed-method approaches to explore in greater depth the underlying perceptions, doubts, and behavioural motivations of Muslim consumers towards Islamic credit cards. In addition, comparative studies focusing on different Islamic credit card contract structures, such as *tawarruq* and *bai' al-'inah*, as well as the role of digital innovation and reward mechanisms, would provide valuable insights for product development and policy formulation within Islamic financial institutions.

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