DETERMINants OF ISLAMIC CREDIT CARD ACCEPTANCE IN MALAYSIA: A STRUCTURAL EQUATION MODELING ANALYSIS

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Abstract

The main objective of this study is to explore the determinants of Islamic credit card acceptance in Malaysia. The study examines five main factors, namely, Perceived usefulness, perceived ease of use, knowledge of Islamic credit card, financial cost and Shariah compliance that may explain Malaysian consumers’ attitude towards the acceptance of Islamic credit cards. This study was conducted using a questionnaires survey distributed randomly to a sample of 220 Islamic credit card users. The study uses structural equation modeling. The finding revealed that Shariah compliance is the key factor that influences Malaysian to adopt Islamic credit cards. The findings also finds that knowledge of Islamic credit cards is a significant factor that explain the adoption of Islamic credit cards among Malaysian banking consumers.

Keywords: Islamic, Credit card, Shari’ah, Structural Equation Modeling.