

Factors influencing Malaysian bank customers to choose Islamic credit cards: empirical evidence from the TRA model

Abstract

Purpose

– The purpose of this paper is to explore factors influencing Malaysian bank customers to choose Islamic credit cards. The bank customers generally aware of Islamic credit card facilities in Islamic banks but factors leading them to choose it are particularly unexplored. Given the importance of Islamic credit cards to Islamic banks, the study is aimed at explaining the effects of attitude, subjective norm and perceived financial cost on the Malaysian bank customers' behavioral intention to choose Islamic credit cards.

Design/methodology/approach

– Drawing upon the theory of reasoned action (TRA), this study suggests a modified model to examine the acceptance factors of attitude, subjective norm and perceived financial cost within a context of Islamic credit cards. This paper extends partial least squares (PLS) to examine the impacts of these factors on the intention to choose Islamic credit cards. The model is tested using a survey data from 257 respondents.

Findings

– The results reveal that attitude, subjective norm and perceived financial cost significantly influence the intention to choose Islamic credit card. Of these, attitude is first ranked as an influential factor in explaining one's intention to choose Islamic credit cards. All hypotheses are supported. The findings have proven the soundness of the TRA for study in the area of Islamic credit cards. Earlier works in Islamic credit cards have not ready to apply TRA in their works. The current research is thus closed the gap.

Research limitations/implications

– Pertaining to research limitations, this paper reveals two limitations owing to their future directions for future research on Islamic credit cards. This study indicates that its contributions are particularly confined to potential users in Eastern-Malaysia whilst those from Western-Malaysia are largely untapped. Further research is required to include users from both geographies. Owing to time and financial constraints, this study is only analyzed three factors in explaining the behavioral intention to choose Islamic credit cards. Therefore, future studies in this area should examine new potential factors contributing the receptivity.

Practical implications

– Findings generated from this study serve as a basis for more future works in the area of Islamic credit cards. The theory developed in the current study's model could also be generalized into other contexts of Islamic banking products and services. Practically, branch managers of Islamic banking institutions are of considerable importance to extend the findings of this study to better future planning of their Islamic credit card services.

Originality/value

– This study extends the applicability of the TRA model into a newly context of Islamic credit cards. Empirically, this study also integrates the effect of perceived financial cost on the intention to choose Islamic credit cards. This study offers insights with respect to factors affecting one's decision to choose Islamic credit cards.