

## Attitudes of Consumers Towards Islamic and Conventional Credit Cards in Indonesia

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### Abstract

*This study aims to analyze the attitudes of consumers towards Islamic and conventional credit cards. Using online questionnaire survey data from 51 respondents in Surabaya, East Java, the study revealed that most consumers possessed credit cards because of their convenience factor, relationship with their existing bank, and card salesmen. Therefore, the sale is the most powerful way to invite the community to have an Islamic credit card. Many customers do not care whether their credit cards are Islamic based or not, as long as the salesman promoted cards to them and the cards are able to meet their personal needs, especially for sales and purchase transactions online, they will utilize the cards. The large number of Muslims in Surabaya should be a share of the lucrative market for Islamic credit cards. Therefore, the education about the Islamic manner of consumption and the dangers of usury should be promoted in Surabaya.*

**Keywords:** Islamic credit card, conventional credit card, consumer's attitude

### Abstrak

*Penelitian ini bertujuan untuk menganalisis sikap konsumen terhadap kartu kredit syariah dan konvensional. Dengan menggunakan data survei kuesioner online dari 51 responden di Surabaya, Jawa Timur, penelitian ini mengungkapkan bahwa sebagian besar konsumen memiliki kartu kredit karena faktor kenyamanan, adanya hubungan baik dengan bank, dan adanya penawaran dari pihak pemasaran. Oleh karena itu, penjualan adalah cara paling ampuh untuk mengajak masyarakat daam memiliki kartu kredit syariah. Banyak pelanggan tidak peduli apakah kartu kredit mereka berbasis syariah atau tidak, asalkan salesman mempromosikan kartu kepada mereka dan kartu tersebut dapat memenuhi kebutuhan pribadi mereka terutama untuk transaksi penjualan dan pembelian secara online, mereka akan menggunakan kartu tersebut. Jumlah penduduk Muslim yang besar di Surabaya harus menjadi bagian dari pasar yang menguntungkan untuk kartu kredit syariah. Oleh karena itu, pendidikan tentang cara konsumsi Islam dan bahaya riba harus dipromosikan di Surabaya.*

**Kata Kunci:** kartu kredit syariah, kartu kredit konvensional, perilaku konsumen

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## INTRODUCTION

Islam is the way of life which brings happiness of human life for all times and places in terms of its flexibility. One of the clearest manifestations of this flexibility is in the field of transactions that is based on the “concept of permissibility in principle provided that it does not involve prohibited objects”. Muslim jurists usually find no difficulty in arriving at suitable ruling on any new developments in such field. In this globalization time, the needed of sale transaction is easier than previous years ago.

Credit card is one of the easy facilitation which is provided by banks as intermediary institution. In today’s society, people own credit card for many reasons. Such as, to obtain credit facility, cash advance, and easy payment. Credit card is different from a debit card that credit card does not remove money directly from user account after every transaction as it does with debit card. Credit card is different from charge card too. Charge card require from card holder to buy full amount of balance by the due date. In contrast credit card allows the card holder to arrange their payment monthly at the cost of interest.

**Table 1. Credit Card Issuer List in Indonesia**

No	Issuer	No	Issuer
1	Bank Negara Indonesia 1946 (Persero)	13	Bank Rakyat Indonesia (Persero) Tbk
2	Bank Bukopin	14	Bank Permata Tbk
3	Bank ICB Bumiputera, Tbk	15	Citibank
4	Bank Central Asia, Tbk	16	The Hongkong & Shanghai Bank Corp
5	Bank CIMB Niaga Tbk	17	Bank OCBC NISP Tbk
6	Bank Danamon Indonesia Tbk	18	Standard Chartered Bank
7	Bank ICBC Indonesia	19	Bank UOB Indonesia
8	Bank Maybank Indonesia Tbk	20	BNI Syariah
9	Bank Mandiri (Persero) Tbk	21	Bank Sinarmas
10	Bank Mega Tbk	22	AEON Credit Services
11	Bank Negara Indonesia 1946 (Persero)	23	Bank QNB Kesawan
12	PAN Indonesia Bank Ltd, Tbk		

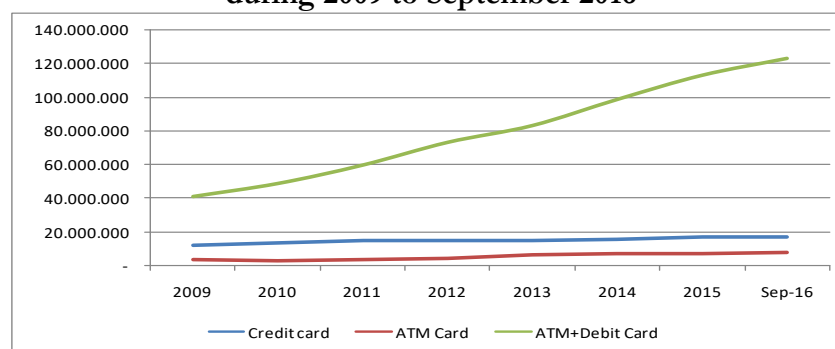
Source: Bank Indonesia (2016)

There are many types of credit card issues based on the income and the services which are provided by the companies. Standard cards are available to anyone over 18, subject to the application being accepted platinum gold or black are issue for higher credit limit and have lower interest rates. Premium are offered for people who consider to be a better credit risk, also available to people who have a specified minimum income level quit high normally. Sometime many cards offer extra benefits such as travel insurances, product guarantees and preferential loan rates. This kind of card the company will generally make a donation to the charity or affinity group with no addition charge to the cardholder. In

Indonesia, the development of credit cards is increasing continuously. According to Bank Indonesia (2016), there are 23 credit card issuers in Indonesia as follows in Table 1.

Payment card tools in Indonesia are dominated by debit card. Total number of automated teller machine (ATM) and debit card are increasing sharply whereas the credit cards also rise but gradually from 2009 to September 2016 (See Figure 1). The transactions of credit cards in Indonesia are more active from 2009 to September 2016. The volume and value of purchase activities are rising gradually. Meanwhile, the volume and value of cash withdrawal from credit card were decreasing from 2009 to 2014 but increasing dramatically in 2015 (See Figure 2).

**Figure 1. The Development of Payment Card Tools in Indonesia during 2009 to September 2016**



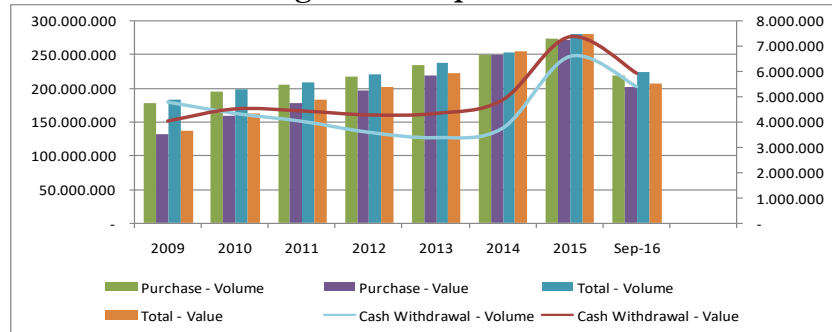
Source: Bank Indonesia (2016)

Islamic finance that has garnered tremendous interest in the face of almost two years of global economic crisis will have an important role to play come 2010. Regardless, Islamic credit card is issued by the Islamic banks especially to convenience of Muslim customers to make transactions without holding any cash on hand. It is also for security on customers behalf. Nowadays customers are more conscious about the usage of the Islamic credit cards. Not only this credit card is interest-free, but there is no profit charges if full payment is made before the due date. In Indonesia, the Islamic credit card was launched in 2007 firstly by Bank Danamon Syariah, namely Dirham Card (Ferdian, et al, 2008). Today, due to the increasing of demand, there are several Islamic credit cards launched behind the pioener i.e. BNI Syariah Hasanah Card and CIMB Niaga Master Card Syariah.

Recently, severall studies focused on ascertaining factors affacting to select Islamic credit card have been conducted globally. Choo et. al (2007) and Yee et. al (2007) analyzed the consumer choice of Islamic based credit card in Malaysia using bivariate probit model. Hussin (2011) investigated the attitudes to Islamic and conventional credit cards in Malaysia using impact analysis. Hanudin (2012) explained intention to use the Islamic credit

card in Malaysia using theory of reasoned action (TRA). Moreover, Ali and Raza (2015) studied factor affecting to select Islamic credit cards in Pakistan using TRA model.

**Figure 2. The Development of Credit Card Transactions in Indonesia during 2009 to September 2016**



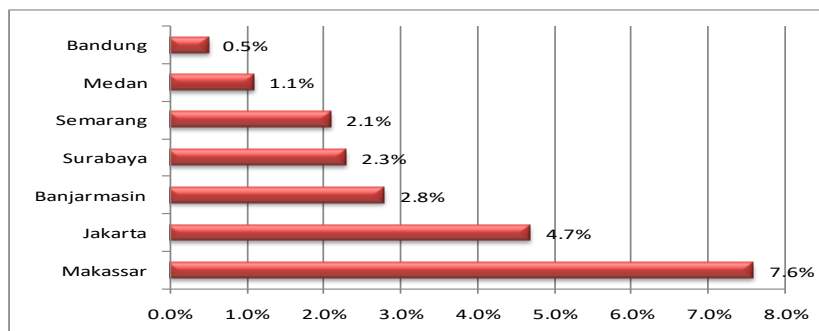
Source: Bank Indonesia (2016)

Analysis about the attitudes of consumers towards the credit cards is important in order to determine the direction of credit card market penetration development strategy in Indonesia. Since Islamic credit card products also experienced a significant development, this study aims to investigate both types of credit cards, i.e. conventional and Islamic credit cards. The structure of this paper is as follow: section 2 defines research methods, section 3 represents results and estimations while section 4 concludes the study and gives recommendations.

**METHOD**

The respondents of this study were credit card customers, both Islamic and conventional credit cards, in Surabaya, East Java, Indonesia. The reason of choosing Surabaya as a case study was because Surabaya is the second largest capital cities in Indonesia after Jakarta (See Figure 3). In addition, the penetration of credit card in Surabaya was the fourth highest after Makassar, Jakarta, and Banjarmasin respectively.

**Figure 3. Credit Card Ownership in Indonesia 2012**



Source: MARS (2013)

According to Ramayah et al (2003; 2006), non probability sampling could be applied since the fact that Bank and Financial Institutions Act did not allow the disclosure of such information. The questionnaires was adopted from Hussin (2011). Using 90percent confidence level and 10percent margin of error in Survey Monkey sample size calculator, the sample size of the study was 68 credit card customers in Surabaya city. The online questionnaires through google form published through social media and email were conducted to get the information from the respondents. However, the answer of respondents attained was only 51.

In order to investigate the attitudes of consumers towards Islamic and conventional credit cards in Surabaya, this study used descriptive statistics from the questionnaire results. Moreover, independent t-test was utilized to compare the means of factors influencing Islamic and conventional credit card of each sub-indicators as following equation:

$$t_i = \frac{\bar{x}_{1i} - \bar{x}_{2i}}{\sqrt{\frac{s_{1i}^2}{n_{1i}} + \frac{s_{2i}^2}{n_{2i}}}} \dots\dots\dots (1)$$

where  $t$  is calculation of  $t$  statistic,  $i$  is sub-indicator,  $\bar{x}$  is a sample mean,  $n$  is a number of sample, 1 represents perception of Islamic credit card consumers, 2 represents perception of conventional credit card consumers, and  $s$  represents the standard deviation (Lind, 2008).

## RESULT AND DISCUSSION

This part explains the demographic background of credit card respondents in Surabaya. The components included were gender, age, marital status, number of children/dependents, status in the family (head of the family or not), religion, education, income, employment sector, occupation, the ownership of a car and housing loan.

**Table 2. Demographic Characteristic of Responden**

Components		Freq	%	Components		Freq	%
Gender	Male	25	49.0	Head	Yes	21	41.2
	Female	26	51.0		No	30	58.8
Age	21-30	22	43.1	Education	Diploma	4	7.8
	31-40	11	21.6		Bachelor	28	54.9
	41-50	15	29.4		Master	17	33.3
	51-60	3	5.9		Doctoral	2	3.9
Marrital Status	Single	13	25.5	Monthly Income	1 - 5 million rupiah	11	21.6
	Married	37	72.5		5 - 10 million rupiah	20	39.2
	Widow	1	2.0		10 - 15 million rupiah	16	31.4

Components		Freq	%	Components	Freq	%
The Number of Children	None	19	37.3	more than 15 million rupiah	4	8.0
	<=2	24	47.0	Occupation Government / Public Sector	20	39.2
	>2	8	15.7	Private Sector	23	45.1
				Self-employment	8	15.7

Table 2 showed that all gender both men and women could have credit card, although most woman are credit cards holder but the gap is not to high between man and woman. It is only 2 percent, while male 49 percent and woman 51 percent. Based on age, credit card holders who have age around 21-30 years is about 43.1 percent.

According to data, consumers who have been married dominated 72.5 percent status marriage of credit card holder and 47 percent have children, at least 1 until 2 child. For the customers who have family credit card give more beneficiaries. The main benefit to the cardholder is convenience. Compared to debit cards and checks, a credit card allows small short-term loans to be quickly made to a cardholder who need not calculate a balance remaining before every transaction, provided the total charges do not exceed the maximum credit line for the card. Credit cards also offer protection. Many credit cards offer rewards and benefits packages, such as enhanced product warranties at no cost, free loss/damage coverage on new purchases, various insurance protections, for example, rental car insurance, common carrier accident protection, and travel medical insurance. So that is why most of credit cards holder was marriage.

In terms of consumer education, most customers have bachelor education level. It is dominate around 54.9 percent while the penetration of customer that have higher education like master degree around 33.3 percent. Majority, the income of credit card holders between 5-10 million per month which is 39.2 percent, and credit card holders who had higher income around 10-15 million is 31.4 percent. The analysis of income level is necessary since income was the most significant factor influencing the use of Islamic credit card (Mansoor and Che Mat, 2009). In addition, based on occupation, mostly credit card holders are work in private sector rather than in government/public sector.

**Table 3. Credit Card Profile**

Components		Freq	%	Components		Freq	%
Credit Card number	1	21	41.2	Credit Card Issuers	Standar Cartered	6	6.5
	2	17	33.3		BRI	5	5.4
	3	5	9.8		Bukopin	5	5.4
	4	8	15.7		ANZ	4	4.3
Credit Card Brand	Visa	39	51.3	Permata	4	4.3	
	Master Card	35	46.1	CIMB Niaga	3	3.3	
	American Express	1	1.3	Danamon	3	3.3	
	BCA Every Day Card	1	1.3	BNI Syariah	2	2.2	
	BNI	14	15.2	UOB	2	2.2	
Credit Card Issuers	Mandiri	14	15.2	Commerce Bank	1	1.1	
	BCA	11	12.0	Maybank	1	1.1	
	Mega	10	10.9	Sinarmas	1	1.1	
	Citibank	6	6.5	Holding Type	Islamic Credit Card	6	6.5
					Conventional Credit Card	47	51.1

In Indonesia there are several banks that issued the credit card, both Islamic credit card and conventional credit card. All credit card that issued through bank in Indonesia should be able to accept in all over the country. As for profile credit card based on the research is as Table 3. Based on data in Table 3, credit card holders could have more than one credit card. It is based on the financial ability of credit card holders. Credit card holders who have only one credit card as much as 41 percent and the customers who have more than one cards around 58.8 percent (2 to 4 cards). That is mean if the customer have high financial income, they could open more than one credit card, or they could increase the financial limit of cards. Data credit card provider shows that 51.3 percent providers credit cards in Surabaya was dominated by a visa and master card 46.1 percent. It is not surprise because the two providers have domination in market since they are the largest credit card provider in the world.

Bank issuers of credit card in Indonesia were 17 banks, both public and private bank. Two government banks dominated bank issuer of credit card; they were BNI and Mandiri Bank each 15.2 percent. Then for private Bank was dominated by BCA (12 percent), Mega Bank (10.95 percent), Citibank and Standards Cartered (6.5 percent), while others 5-1 percent. The data shows that Islamic credit card was hold by 6 people form 51 sample or 11.3 percent only and conventional credit cards of 88.7 percent. From the data above the opportunities to offering Islamic credit card is still wide open.

From all 17 Bank, they are only one bank that is Islamic Bank; so Islamic credit cards product is very rare in the market. Based on table Islamic credit card holders only 2.2 percent, and the customer who chose Islamic credit cards is the customer who understand about Riba, Islamic finance and Islamic product.

The market she of Islamic credit cards is very small, this is not surprise because BNI syariah is the only one Islamic bank that issued the Islamic credit card in Indonesia. Actually the other bank also issues Islamic credit card such as Danamon Bank and Cimb Niaga Bank. The problem is the product is still list under conventional bank even though it is offered through syariah business unit under Conventional Bank such as Danamon Bank and CIMB Niaga Bank. So that two bank issues two type of a card, which is Conventional Credit Cards and Islamic Credit Cards.

The ways of Islamic credit card work is similar to conventional credit card. Cardholders can use it to shopping and meet certain needs. The working of Islamic credit card is governed Dewan Syariah Nasional (DSN) on Fatwa Number 54/DSN-MUI/X/2006 about Syariah Card. According to the fatwa Islamic credit cards also imposes some tuition fee, they are: (1) Membership fee; (2) Merchant fee. This is given by merchant to the issuer cards based on the transaction of cards as *ujrah*; (3) Fee of cash withdrawal; (4) Compensation fee as a expenses that should paid by Bank because the cards holders was late to pay bills (over due payment)' (5) Fee of late charge payment (*Taqwid*). This penalty will be recognized as a social fund. If a conventional credit card could have interest as a profit of credit cards, while the Islamic credit card issuing fee as the profit of Islamic credit cards from price of goods or services transaction as a reward / compensation (*ujrah*).

Before the respondents were asked some factors influencing credit card selection, they were investigated about the most important factor in possessing a credit card. Most of respondents answered that the primary factors were as follows respectively: (a) personal preference because of convenience factor (19.6 percent); (b) relationship with the existing bank (19.6 percent); (c) card salesmen (13.7 percent); (d) personal preference because of financial reasons (11.8 percent); (e) work environment (11.8 percent); (f) for online shop (7.8 percent); (g) family and friends (5.9 percent); (h) general card advertisements such as newspapers, television, internet, pamphlets (5.9 percent); and (i) travelling (3.9 percent).

Interestingly, from six respondents holding the Islamic credit cards, they possessed the credit cards due to the relationship with the existing bank. There was only one respondent who had credit card because of the convenience factor. This evidence was



reaffirmed by the findings stated that most customers choose credit cards due to a promotion.

The promotion of credit cards is very intense in Indonesia, promos and discounts are the two things that often become a reason for someone to go shopping using credit cards. It is also a particular concern for the credit card issuing bank to spend a lot of cooperation programs with certain retailers and deal making in the form of discounts, or promos for credit card users. Many credit cards in collaboration with the brand and certain supermarket (the co-brand) that offers many rebates and discounts for users of credit cards. For credit cards holders it will save a lot of monthly money expenditure and the cost of other needs (See Table 4).

The second factor that most affects the person has a credit card is traveling facility. For someone who travels frequently, having a credit card is a right thing, because credit cards can be accepted anywhere in the country for all kinds of transactions, as well as Islamic credit card must accept throughout the country. While the other factors that affect customers has a credit card is convenience and safety.

In fact, having a credit card will make cardholders feel more comfortable, especially it can be accepted anywhere, locally and abroad, so it is making transactions easier. Such as for entail huge transaction but still within the limit of the card, and the payment could be anywhere, with a detailed bill, and of course credit cards holders can saves more time because they no need to pay at bank, they could pay at home.

**Table 4. Factors Influencing Credit Card Selection**

Factors	Mean	Comparing Means between Islamic and Conventional Credit Card					
		Levene's Test		t-test for equality of means			
		C	Sig.	t-test	df	Sig.	
<b>Convenience</b>							
(a1) Wide acceptance locally	4.1	3.8	3.8	0.1	1.2	49.0	0.2
(a2) Wide acceptance abroad	3.3		29.4	0.0	(2.9)	51.0	0.0
(a3) Internet purchases and online payment	3.3		34.5	0.0	(2.5)	51.0	0.0
(a4) Useful for large price/ticket transactions	4.3		1.1	0.3	0.5	49.0	0.6
<b>Protection</b>							
(b1) Safer to carry than cash	4.0	3.8	0.7	0.4	(0.7)	49.0	0.5
(b2) Insurance provision when traveling	3.8		2.1	0.2	0.4	49.0	0.7
(b3) Protection against loss or defects of products purchased using card	3.2		9.9	0.0	(3.7)	51.0	0.0

Factors	Mean		Comparing Means between Islamic and Conventional Credit Card				
			Levene's Test		t-test for equality of means		
			C	Sig.	t-test	df	Sig.
(b4) Protection when card is lost or stolen	4.2		10.6	0.0	(0.5)	49.0	0.6
<b>Flexibility</b>							
(c1) Automatic payment in full by direct debit from bank account	3.1	3.3	4.0	0.1	(2.1)	51.0	0.0
(c2) Zero interest installment facilities	3.4		15.9	0.0	(2.9)	51.0	0.0
(c3) Facilitates paying bills electronically and access to statement	3.6		36.3	0.0	(4.7)	51.0	0.0
(c4) Availability of supplementary cards	3.3		4.7	0.0	1.1	49.0	0.3
<b>Finance</b>							
(d1) Short-term credit without charge	4.0	3.4	0.0	0.9	(0.9)	49.0	0.3
(d2) Provides immediate credit	3.7		0.1	0.8	(0.3)	49.0	0.7
(d3) Possibility of cash advance	2.6		0.8	0.4	(1.8)	51.0	0.1
(d4) 0 joining or annual fee	3.5		24.5	0.0	(1.9)	51.0	0.1
(d5) Paying debt according to budget/affordability	3.2		15.1	0.0	(2.0)	51.0	0.1
<b>Promotion</b>							
(e1) Special discounts in selected outlets	4.3	4.1	1.2	0.3	0.5	49.0	0.6
(e2) Road show with instant application approval or gift promotion	3.9		0.3	0.6	(0.2)	49.0	0.8
(e3) Bonus and rewards	4.2		2.6	0.1	0.1	49.0	0.9
<b>Travel Economics</b>							
(f1) Commission free traveler's cheques	4.1	4.0	1.7	0.2	0.6	49.0	0.5
(f2) 0 deposit is required for car hire	3.9		4.0	0.1	0.6	49.0	0.6
<b>Reputation</b>							
(g1) Status symbol	3.7	3.7	0.0	0.8	(0.8)	49.0	0.4
(g2) Credit card company such as Visa, MasterCard	4.3		1.3	0.3	(2.1)	49.0	0.0
(g3) Islamic Credit card brand name such as Danamon Syariah, BNI Syariah Hasanah Card and CIMB Niaga MasterCard Syariah	3.5		5.0	0.0	2.1	49.0	0.0
(g4) Reputation of card issuers such as Danamon, BNI, and CIMB Niaga	3.7		3.3	0.1	1.4	49.0	0.2
(g5) Reputation of Shari'ah board	3.5		1.0	0.3	1.2	49.0	0.2

In terms of credit card security there is no doubt, because usually credit cards also offer additional amenities as well as protection such as travel insurance or any other word.

Provide protection to cardholders in term of goods purchased is not in line with expectations or damaged. However, the most important thing is credit card holder does not need to carry cash. Generally, factors influencing credit card selection between conventional and Islamic credit cards customers were not significant different. Both of them select the credit cards due to its protection, financing, promotion, and travel economics. However, there were some sub factors that were significant different between the two such as follows: (1) Convenience factor, which are: (a) wide acceptance abroad; and (b) internet purchases and online payment; (2) Protection factor, i.e. protection against loss or defects of products purchased using card; (3) Flexibility factor: (a) Automatic payment in full by direct debit from bank account; (b) Zero interest installment facilities; and (c) Facilitates paying bills electronically and access to statement; (4) Reputation factor: (a) Credit card company such as Visa, MasterCard; and (b) Islamic credit card brand name such as Danamon Syariah, BNI Syariah Hasanah Card and CIMB Niaga MasterCard Syariah.

The ability of credit cards to be used in online payment and accepted globally is very important for Islamic rather than the conventional credit card holders. Unlike other users who utilized the credit card for personal purposes, most of the Islamic credit cards holders used the credit card for paying the consumer durable such as furniture, kitchen equipment, computers and flat screen televisions.

**Table 5. The Satisfaction Level of Credit Card Holder**

Satisfaction Level	Percentage		
	Overall	CCC	ICC
Extremely Dissatisfied	2.0%	2.1%	-
Dissatisfied	11.8%	12.8%	-
Neutral	33.3%	34.0%	25.0%
Satisfied	43.1%	40.4%	75.0%
Extremely Satisfied	9.8%	10.6%	-

In order to fathom the satisfaction and loyalty of conventional and Islamic credit card, Hussin (2011) used four questions. Those were 'satisfaction level', 'I have no qualms about switching credit card companies due to poor service', 'I will stop using Islamic credit card and start using conventional credit card with lower charges and better offers', and 'Muslims should use Islamic credit cards even if their charges are higher than conventional credit cards'. From the satisfaction level question, it can be asserted that most of respondents were satisfied with both Islamic and conventional credit card. However, there

were still a few respondents who were extremely dissatisfied with their conventional credit cards. They usually had more than three conventional credit cards, used the facilities in more than four years, and had salary between one to five million a month.

In terms of loyalty, most of respondents were neutral when they were asked about the possibility to switch to another credit card. However, the percentage of respondents who answered agree (14 percent) and strongly agree (29 percent) were more than those who responded disagree (6 percent) and strongly disagree (12 percent) (See Table 5). The evidence indicated that the credit card customer loyalty was very dependent on the services and facilities provided by the credit card company. It means that the credit card company must provide excellent service to all customers without exception. Moreover, credit card companies must innovate to improve their services so as to make the customers do not switch to another company.

Interestingly, when respondents were asked about the possibility of leaving the Islamic credit cards companies due to poor service, most of them answered neutral and tend to be disagree to switch to another credit card. This finding showed that if conventional credit card consumers became Islamic credit card customers, they will tend to be more loyal. This was because most respondents tend to agree if a Muslim should use an Islamic credit card although the services, prices, and amenities were still not as competitive as conventional credit card. This condition was actually an opportunity for the Islamic credit card company to capture market share of conventional credit cards since most of them were Moslem.

However, in order to increase the loyalty of credit card users, the bank issuers should be required to keep improving the quality of its services. According Kassim et.al (2014) and Azhar and Novilia (2016), the product quality was the significant factor affecting the customers' loyalty. Improvement of appropriate sharia facilities is done at least as provided by conventional credit cards. Thus, the Islamic credit card market not only covers the people who do choose Islamic credit cards because they want to actually transact sharia, but also the segment of society who do not care about sharia aspect and just want to transact easily and quickly using credit card.

There were ten statements used in capturing the perception of Islamic credit card. Generally, all respondents considered that the Islamic credit card brought the disrepute more than the kindness. It was apparent from the answers of the respondents agreed that: (1) Islamic credit card concept was not acceptable; (2) Islamic credit cards involved riba; (3)

Islamic credit cards were against the justice aspect of Islamic financial transactions; (4) Islamic credit card encouraged people to consume more than they need; (5) Islamic credit cards created money and credit; (6) Islamic credit cards lead to debt-based system; (7) The use of Islamic credit card motives/factors to attract Muslims to use the card was unacceptable; (8) Islamic credit card provided convenience; (9) Islamic credit cards were in line with Islamic philosophy; and (10) Islamic credit card encouraged Muslims who did not need credit cards to possess the cards. (See Table 6 for details)

**Table 6. Perceptions towards Islamic Credit Cards**

No	Indicators	Mean			T-test for equality of means		
		Overall	CCC	ICC	t-test	df	sig
1	Islamic credit card concept is acceptable	2.90	3.00	1.75	3.94	2.31	0.00*
2	Islamic credit cards involve riba	3.45	3.53	2.50	3.06	2.45	0.02*
3	Islamic credit cards are against the justice aspect of Islamic financial transactions	3.22	3.30	2.25	3.47	2.45	0.01*
4	Islamic credit card encourages people to consume more than they need	3.35	3.43	2.50	1.73	2.78	0.16
5	Islamic credit cards create money and credit	3.59	3.60	3.50	0.29	2.57	0.79
6	Islamic credit cards lead to debt-based system	3.61	3.66	3.00	1.51	2.78	0.21
7	The use of Islamic credit card motives/factors to attract Muslims to use the card is unacceptable	3.39	3.45	2.75	2.28	2.36	0.06*
8	Islamic credit card provides convenience	3.43	3.38	4.00	(4.01)	2.01	0.00*
9	Islamic credit cards are in line with Islamic philosophy	2.96	2.94	3.25	(1.07)	2.45	0.33
10	Islamic credit card encourages Muslims who do not need credit cards to possess the cards	3.22	3.28	2.50	1.47	2.78	0.22

Note: \* significant in 5%

Seeing the answers of the respondents overall assumed that the Islamic credit card was almost no difference with conventional credit cards, then maybe this was due to several things. First, the consumer might not understand the basic concepts of Islamic credit cards so that they assumed the same as a conventional credit card. Therefore, it was necessary to educate people related to the basic principles of Islamic credit card system. Second, the Islamic credit card companies should also be cautious in marketing their products, not to provoke consumers to increasingly consumerist behavior which

incidentally was not in accordance with shariah. This results were different with Amin (2012) who utilized TRA model to identify factors determining the Malaysian bank customer's behavioral intention to use the Islamic credit card. In that study, the result reveals that attitude, subjective norm and perceived financial cost significantly influence the Islamic credit card intention to use.

The community was still not too clear about the difference usury with the profits derived from the principles of shariah. This was evident from the survey results that show that people still thought the Islamic credit cards still contained elements of usury. The synergy between academics, scholars, and practitioners of shariah economy was needed to understand the community regarding usury. In addition, education about the concept of Islamic economics was also absolutely necessary so that people did not get caught up in the economic system of usury (Sardiana, 2016).

## CONCLUSION

This study aims to analyze the attitudes of consumers toward Islamic and conventional credit cards in Indonesia through taking a case study in Surabaya. Overall, the respondents possessed the credit cards due to the convenience factor, relationship with the existing bank, and card salesmen. Most of the respondents chose the type of credit card because of the vigorous and interesting promotion, the existence of tempting travel facilities, the ease and comfort in transacting, and the existence of additional facilities such as insurance that can be accepted in many countries. Unfortunately, the character of credit card customers was less loyal. Their loyalty level was highly dependent on the factors that influence the respondents in choosing the type of credit card.

In order to compare the attitudes between Islamic and conventional credit card, the interesting findings showed that most of consumers choose the Islamic credit cards because of the promotion and the traveling needs. Therefore, since there are no much significant different of the reasons to utilize the credit card, in case of Islamic credit card, it is very necessary to promote it massively if they want to increase their penetration. However, the Islamic credit card customers were more loyal than the conventional credit card owners. The loyalty of Islamic credit card customers seems to be a strength in itself to expand the reach of the market. Therefore, Islamic credit card issuing banks should be more eager in offering their products and of course improving the quality of service so as not to lose out with the offerings on conventional credit cards. In addition to the ongoing

promotion, Islamic credit card businesses should also educate the public about the fundamental differences between conventional and Islamic credit cards. This is because until now people are still confused about the urgency of Islamic credit cards and even most respondents assume that the presence of Islamic credit cards will also bring adverse impact on their financial management if cardholders can not be wise in shopping.

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