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EFFECT OF CASCHLESS POLICY ON SATISFACTION OF COMMERCIAL BANK'S CUSTOMERS IN MAIDUGURI BORNO STATE NIGERIA

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Abstract: This study examines the effect of Cashless Policy on commercial bank's customer's satisfaction in Maiduguri, Nigeria. The recent evolution of technology for financial transactions presents interesting questions for policy formulators and financial institutions concerning the suitability of current institutional arrangements and availability of financial instruments to guarantee financial stability, efficiency and effectiveness of monetary policy. The study used a descriptive survey research design, data collection was carried out in a structured process. The outcome of the analysis revealed that cashless policy has positive effect on the commercial bank's customers. It is recommended that the Central Bank of Nigeria should encourage Banks to offer quality ATM services to their customers. this is expected to boost the adoption of ATM as an alternative payment system, the Bank should educate the customers as well as creating awareness regarding the benefit of adopting the Automated, teller Machine and Internet banking platforms as alternative payment channels in order to enhance the adoption of cashless policy in Nigeria, the Central bank should subsidize the cost of acquiring electronic banking infrastructure as this will encourage the adoption of Cashless policy as alternative payment systems, service charges and cost of transaction should be made affordable or free where necessary because unnecessary charges may discourage the unbanked population to increase, lastly, infrastructural facilities to aid financial inclusiveness, such as POS and ATM should be made more efficient, more secured and ever available for use, as this will put more confidence in users and potential users.

Keywords: Cashless Policy, Commercial banks, Customer's Satisfaction, Technology and Financial Transactions.

INTRODUCTION

The recent evolution of technology for financial transactions presents interesting questions for policy formulators and financial institutions concerning the suitability of current institutional arrangements and availability of financial instruments to guarantee financial stability, efficiency and effectiveness of monetary policy. Over the years, different forms of payment systems have been in existence. Initially, 'trade by barter' was common; however, the problems of barter such as the double coincidence of wants necessitated the introduction of various forms of money (Swartz et al, 2004). Nevertheless, analysts have been predicting the complete demise of study instruments and the emergence of potentially superior substitute for cash or monetary exchanges, that is, 'cashless society'. Unlike the barter system which involves the exchange of one good for another, a cashless environment refers to one in which transactions are carried out with minimal exchange of physical cash. It implies that the payment instrument is not physical cash but other instruments such as cheques, electronic transfers, e-payment and so on. The rapid advancement in

electronic distribution channels has produced tremendous changes in the financial industry in recent years, with an increasing rate of change in technology, competition among players and consumer needs as argued (Hughes, 2001).

Research Gap

As more payment systems have been introduced, analysts have been predicting the emergence of cash less society'. Today, we still pay with cash and checks, but several other payment instruments, such as credit and debit cards, are widely used. The use of paper money is more declining, but at a rather slow speed. As a matter of fact, the demand for money is being taken in terms of demand deposits in banks and liquid assets outside the banks that is the average willingness of people to either hold money in cash or keep it as demand deposits in the banks effects the activities of commercial banks in controlling the amount of money in circulation, which in turn determines the hold of the CBN on the economy in terms of monetary policy implementations. The analysis of banking innovations and the response of the public towards them would help determine the hold of the Central Bank of Nigeria (CBN) on the extent to which they have been able to foster financial transactions in money deposit banks across the nation.

Objectives of the Study

The main objective of the study was to examine the effect of cashless policy on customers satisfaction in Maiduguri Nigeria. However, the specific objectives are;

i. To examine the relationship between Cashless policy and accessibility to customers' accounts.
ii. To assess the relationship between Cashless policy and queue-ups in banking halls.
iii. To ascertain the relationship between Cashless policy and the promptness of bank-related transactions.

Research Questions

i. What is the relationship between Cashless policy and accessibility to customers' accounts in GT Bank plc, Maiduguri?
ii. To what extent does the Cashless policy affect queue-ups in banking halls in GT Bank plc, Maiduguri?
iii. What is the relationship between Cashless policy and the promptness of bank-related transactions in GT Bank plc, Maiduguri?

Research hypothesis

HO: Cashless policy has no significant effect on customer's satisfaction in Maiduguri Nigeria.
Hi: Cashless policy has significant effect on customer's satisfaction in Maiduguri Nigeria.

Significance and Scope of the Study

This study will be of immense benefit to the following persons:

It would add the new knowledge generated to the existing knowledge of the researcher.

It will increase the volume of literature in the institution's library. It will serve as a reference material to people who would want to carry out further research study on this topic in future.

It will also assist bankers, business analysts and policy makers on monetary policy formulation and effective decision making. It will help the general public who may have time to go through the findings and recommendations of this study to gain knowledge as regard to the benefits and challenges of introducing the policy in Nigerian economy. This study examined CBN cashless policy by exploring its impact on the Nigerian economy. Since cashless policy is a recent economic policy with no previous data and more so, the study seeks the opinion of the people by examining the impact analysis of the policy.

LITERATURE REVIEW

A cashless economy depicts an economy whereby transactions are consummated and payments are made without the use of physical cash. Thus, payments are made via alternative payment channels such as cheques, Automated Teller Machine, Point of Sale, Web banking, mobile banking, etc. Ejiro (2012) is of the opinion that a cashless economy allows business to be carried out without using physical cash as a medium of exchange for transaction but instead, credit or debit card is adopted in paying for goods and services. The aim of Cashless Policy is not to do away with cash transactions entirely from the economic system. However, the rationale behind its introduction is to reduce the adoption of physical cash by offering alternative means of payment to consummate transactions Gbanador et al., (2012). Conversely, cashless economy tends to minimize the quantity of cash in the economy rather than eliminating the use of cash entirely Ignoroje et al., (2020). As it could be observed, cashless economy does not depict the elimination of cash transactions. Rather, it presents an alternative mode of consummating transactions without the use of physical cash. Some of the channels through which payments are made in a cashless economy includes; cheques, ATM, POS, internet banking, mobile banking. Siyanbola (2013) assessed the influence of cashless banking on the economy on Nigeria. The research design utilized for the work was the descriptive research design while chi-square was used to analyze the data. Based on the findings, the study suggested that increased government support, steady power supply and communication nexus should be considered in order to enhance the growth of cashless banking in Nigeria. In a similar study Taiwo, Ayo, Afieroho, & Agwu (2013) assessed the adoption of the cashless policy in the Nigerian financial system from 2012 to 2016. The survey research design was employed for the study while the descriptive statistics and one-sample t-test were adopted for the data analysis. Based on the findings, the study concluded that cashless policy will earn the needed result only if much is done to effectively implement it.

In a recent study, Agu & Agu (2020) conducted a study to assess the influence of cashless policy on the growth of Nigeria economy between the period of 2010 and 2018. The study utilized quarterly time series data while the OLS technique was used for the data analysis. The Unit Root, Cointegration and granger causality tests were also conducted. The data were gathered from World Bank Development indicator and CBN Statistical Bulletin, Annual Report and Statement of Account for the year 2019. The Study's findings revealed that Cashless Policy influenced economic performance and thereby deduce that there is a link between cashless policy and the growth of the Nigeria economy. Most especially, transactions through the ATM and POS terminals. The study therefore, recommends that banks should allocate more funds in information communication technology to improve the efficiency of electronic payment systems.

Ewa & Inah (2016) did a study to examine the Nigeria Cashless Policy Implementation. The study used the survey research design while Simple percentages and Relative Important Index (R.I.I) were employed in analyzing the collated data. The study's findings revealed that social infrastructures in power and telecommunications requires improvement and thereby create the need for more awareness to encourage the unbanked to access banking services. Okafor (2020) carried out a study to assess the influence of cashless policy on Deposit Money Banks' performance in Nigeria (2009-2019). Internet banking, ATM, mobile banking and POS were used as proxies for the independent variable while return on assets was adopted to represent the dependent variable. The econometric techniques used for the study were descriptive statistics, augmented dickey fuller tests for unit roots, and the regression analysis. The study's findings revealed that Internet Banking, POS, MB, and ATM have a significant and positive influence on the return on assets. The study therefore, concludes that cashless policy has a positive influence

on the performance of Deposit Money Banks in Nigeria. In a related study, Nwakoby, Chukwu & Oghenetega (2020) conducted a study to examine the impact of cashless policy on the profitability of Deposit Money Banks in Nigeria within the periods of 2009 and 2019. Secondary data research design was utilized for the study while the Auto-regressive Distributed lag model was employed as a technique for data analysis. The POS Terminal, ATM, Mobile Banking, and Online Payment platform were adopted as the independent variables while the Profit before Tax was used as proxy for the dependent variable. The outcome of the study shows that cashless policy has an inverse and insignificant impact on profit before tax of Deposit Money Banks in Nigeria. Based on the findings, the study suggests the sensitization of bank customers regarding the relevance of cashless policy. In an attempt to assess the effect of cashless policy on the performance of Deposit Money Banks in Nigeria, Ignoroje & Okoroyibo (2020) conducted a study spanning from 2009-2018. The study adopted the ex-post facto research design. The econometric techniques used in analyzing the data were descriptive statistics, augmented dicker fuller, and Philip Perron tests for unit roots and the autoregressive distributed lags (ARDL) for cointegration and coefficient analysis. Based on the findings, the study concludes that the performance of a bank is positively influenced by the CBN cashless policy. Basically, for this study, both primary and secondary sources of data was used in carrying out this research. For the primary data, a survey would be carried out by issuing questionnaires to banker and questionnaire across the country especially in Lagos State to ensure the genuine as it is the only state where the policy is being implemented for now, while the secondary data focuses on every available from the Central Bank of Nigeria (CBN) within reach and various paper publications.

RESEARCH METHODOLOGY

This study used a descriptive survey research design. In using this design, data collection is carried out with systematic process. Kumar (2005) argues that the goal of descriptive research is to describe the characteristics of a selected phenomenon and involves the collection of data without manipulation of variables. The population of the study comprises of 40 respondents randomly selected in GT Bank Maiduguri. The choice of population of study is based on the ability to elicit useful information from the respondents. The study applied checklist, implying that the checklist were administered through direct contact with the respondent. Survey method for data collection were used. Data collected from the respondent was analyzed using frequency counts and percentage based on responses from the checklist, and regression analysis was used to test the hypothesis.

DATA ANALYSIS AND RESULTS.
Test of hypothesis
Table 4.3.1 Model Summary

Model	R	R. square	Adjusted R. square	Std. Error of the estimate	Durbin Watson
1	.794[a]	.768[a]	.696	.778	1.2187

Source: **SPSS Version 20.0**

Table 4.3.2 Regression Coefficient

Model	Unstandardized coefficient		Standardized coefficient	T	Sig.
	B	Std. error	Beta		
Constant	19.989	1.001		19.946	.000
Recognition	.376	.221	.089	1.593	.000

Source: SPSS, Version 20.0

Table 4.3.2 shows that standardized beta weight of the r coefficients and part correlation signifying the correlation between cashless policy and customer satisfaction with a p-value < 0.05 which implying that recognition has significant effect on employee job satisfaction in the study area. Therefore, the null hypothesis which states that cashless policy has no significant effect on customer satisfaction in Maiduguri stand rejected. **Decision:** Since the R-square value of (0.768) which represent 76.8% by which the variables explain the model fits of the data. However, T-value of the coefficient of multiple regression is 1.593. Therefore, the Beta value of coefficient which is 89% of the coefficient in response to P-value of regression coefficient are also significant at level of (0.000) which is less than alpha value of (0.05) that is $P < 0.000$ $P < 0.05$. This concludes that null hypothesis is rejected and the result shows that there is significant relationship between cashless policy and customer satisfaction in Maiduguri Borno State, Nigeria.

SUMMARY AND CONCLUSION
The recent evolution of technology for financial transactions poses interesting questions for policy makers and financial institutions regarding the suitability of current institutional arrangements and availability of instruments to guarantee financial stability, efficiency and effectiveness of monetary policy. Over the course of history, different forms of payment systems have been in existence. Initially, 'trade by barter' was common; however, the problems of barter such as the double coincidence of wants necessitated the introduction of various forms of money. Unlike the barter system which involves the exchange of one good for another, a cashless environment refers to one in which transactions are carried out with minimal exchange of physical cash. It implies that the payment instrument is not physical cash but other instruments such as cheques, electronic transfers, e-payment and so on. The rapid advancement in electronic distribution channels has produced tremendous changes in the financial industry in recent years, with an increasing rate of change in technology, competition among players and consumer needs as argued (Hughes, 2001).

The foundation upon which this study was built is to examine the impact of cashless policy on the economic growth of Nigeria. The outcome of the analysis revealed that cashless policy has positive effect on the economy, except the ATM that was insignificant. Therefore, the study concludes that Cashless policy has significant impact on commercial bank customers in Maiduguri Nigeria.
From the conclusion of the study divulged that Cashless Economic Policy impacted positively on economic growth of Nigeria. Therefore, consistent effort must be maintained to ensure that cashless policy is deepened to reach the entire populace of the country to advance economic activities and consequently improve economic growth. Even though cost of transaction and charges seems to be an issue to the users of cashless policy, financial inclusion remains a relevant factor that can be used to track economic activities, free money, sharp practices in government agencies and intergovernmental expenses.

RECOMMENDATIONS

Based on the findings of the study, it therefore recommends that:

i.   The Central Bank of Nigeria should encourage Banks to offer quality ATM services to their customers. This is expected to boost the adoption of ATM as an alternative payment system.

ii.   The Bank should educate the customers as well as create awareness regarding the benefit of adopting the Automated

iii. Teller Machine and Internet banking platforms as alternative payment channels in order to enhance the adoption of cashless policy in Nigeria.

iv.   The Central bank should subsidize the cost of acquiring electronic banking infrastructure as this will encourage the adoption of Cashless policy as alternative payment systems.

v.   Service charges and cost of transaction should be made affordable or free where necessary because unnecessary charges may discourage the unbanked

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