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Customer acceptance of cashless payment in Kemaman

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KEYWORDS

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ABSTRACT

The study is a pilot study to customer acceptance of cashless payment. We choose Kemaman as the scope of study because of convenience factor and 100 respondents were choose as the sample of the pilot study. The purpose of this study is to identify the determinant of customer acceptance for cashless payment in Kemaman, Terengganu. According to Ramalingam (2012), Malaysians are starting to adopt cashless payment, but then the engagement is very low because of less knowledge and confident in security issues (Ozturk, 2016). In his study, Hataisaree (2008) found that some of this people are reluctant on cashless payment because they doubtful with the benefit that its offer. The study focused on acceptance of cashless payment in Kemaman society. Using existing Technology Acceptance Model (TAM) on cashless payment, 100 sets of questionnaire has been collected in order to generate data for the study. Two factors had been examined that are Perceive Ease of Use and Perceive Usefullness. The results showed that both factors had significant impact on acceptance of cashless payment in kemaman.

1.0 INTRODUCTION

Cashless society is the society that not use cash for purchases instead they use credit card, debit card, e wallet, bitcoin and so on. There are many country that are almost 100 percent applied cashless payment including UK, Sweden and Canada. Since the internet access is widespread, and computers, smartphones, and tables are becoming necessity products to society, it is quite convenience to changed to cashless society.

In the next 5, 10 years, using cash as Payment methods might not be practical anymore. Penetration of IoT enabled devices in the payments industry will takeplace of cash usage as payment method. Entrepreneurs should agree to societal shift to digital currency and mobile payment. Furthermore, government's support makes transition becoming very practical. E-commerce in general has existed since last decade with eBay, PayPal and Amazon taking cashless transactions and online marketplaces to the next level. Rowley (2016) in his research state that the global e-commerce market is expected to increased to $2.4 trillion by 2019, and shows no signs of slowing up.

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The last decade has witnessed a notable rise of cashless transactions not only in the developed countries but also in many of the developing countries. Markets are in a transition phase, from grocery stores, hyper markets to electronic markets. Use of plastic cards, online shopping and electronic payments are acceptable, without this form of payment some business might loss their prospect client. Governments are also becoming high technology by introducing online facilities to their citizens. E procurement, myEG are the electronic solutions from government to simplify the business affairs between governemnt and citizens. In coordination with other institutions, governments have been moving from cash-based to a cashless system in order to increase efficiency and decrease costs. Now, it is progressing because of the worldwide internet availability with user-friendly software and hardware. Jain, 2017 in his paper agree that although cashless transactions have many advantages, the journey towards a cashless society not easy. This paper is an attempt to understand the theoretical concept of a cashless.

Taking Sweden as an example,the country is now towards cashless society. In Sweden, majority of retailers like handling less cash. They widely use Swish and mobile payment methods such as iZettle make it easier for small business owners to operate cash-free. According to Henley 2016, cash is now used for only 15 percent of transactions at the point of sale. In Sweden, currently, 80% of payments in the country are made by cards. By the end of 2014, four out of every five transactions in Sweden was cashless. Following the predictions made by the British public that include the UK becoming a cashless society within the next two decades and clothes being connected to the internet, this information from Wirecard and Statista takes a detailed look at the rise of the Internet of Things from various angles and tracks the increasing amount of cashless transactions being made. (Henley, 2016)

As refer to Deigh 2016, India's plan to become a cashless society, with mobile wallets and contactless cards being the primary drivers to modernising the economy. Chandok (2017) expects India to smooth the path towards a non-paper-based means of exchange, that effect could happen within the next quarter. It remains to be seen what would be best to replace paper cash, though. The cashless socitey in India are leading to a positive direction. It helps in growth and development of economy in India.

In Malaysia, cashless payment method is still in the beginning stage. Electronic payments for greater economic efficiency is one of the nine focus areas under the Blueprint to drive Malaysia's transition to a high value-added, high-income economy with adequate safeguards to preserve financial stability. The Bank will work towards accelerating the migration to electronic payments. According to Khairani 2017, In the next ten years, the Bank targets to increase the number of e-payment transactions per capita from 44 transactions to 200 transactions, and reduce cheques by more than half from 207 million to 100 million per year. Measures to achieve this aim will include providing the right price signals to encourage the switch from paper-based payments to e-payments, and facilitating wider outreach of e-payments infrastructure, such as point-of-sale terminals and mobile phone banking.

To embrace the digital economy, Bank Negara has taken serious steps to enhance the e-payment platform, to move the country towards a cashless society. Most Malaysians are likely to carry both a debit card and mobile phones, and as of now, there are 45.4 million debit cards and 42.8 million phone subscriptions. (Star, 2017)

According to Ramalingam (2012), Malaysians are starting to adopt cashless payment, but then the engagement is very low because of less knowledge and confident in security issues (Ozturk, 2016). In his study, Hataisaree (2008) found that some of this people are reluctant on cashless payment because they doubtful with the benefit that its offer. The purpose of this study is to identify the determinant of customer acceptance for cashless payment in Kemaman, Terengganu.

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2.0 METHODOLOGY

The study is the pilot study to customers' acceptance of cashless payment. We choose Kemaman as the scope of study because of convenience factor and 100 respondents were choose as the sample of the pilot study. The data was collected based on primary sources by using nonprobability sample which is convenience sample. This research had use the survey method to collect the data for this study where the method enables to obtain information by questioning respondent with a few number of questions that were provided in the structured questionnaire. Hundred of consumers in Chukai (Kemaman) were selected as respondents to collect the information for this study by answering questionnaires. The respondents were from 25-50 range age who used debit card and used E-payment to make transactions.

In this study, structured questionnaire had been used to collect the data. For the questionnaire, the scale method used which is a Likert scale that the respondents will answer the question by choosing the scale that been provided for each question.

The data will analyzed by using Statistical Package for Social Science (SPSS). Result and discussion show the result generated from set of questionnaire that was adopted from TAM model.

3.0 RESULTS AND DISCUSSION

Table 1 Adoption of Cashless Payment in the future

Items	Strongly Disagree %	Disagree %	Undecided %	Agree %	Strongly Agree %	Mean %
Perceived Usefulness						**3.98**
Saves a lot of time.	0	5.0	13.0	36.0	46.0	4.23
Minimizes the time spent on payment.	1.0	1.0	27.0	41.0	30.0	3.98
Helps in terms of making better payment decisions.	1.0	6.0	24.0	41.0	28.0	3.98
Easier for me to make products comparison among payment modes.	0	2.0	34.0	39.0	25.0	3.87
Accomplish tasks more quickly.	2.0	3.0	24.0	42.0	29.0	3.93

Based on the Table 1, 68% respondent adopted cashless payment and 32% not adopted cashless payment in the future. This happen because, 32% of them had security and trust issues to use cashless payment in their daily life. They also refused since they had lack of knowledge about payment system.

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Table 2 Perceived Usefulness

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	68	68.0	68.0	68.0
No	32	32.0	32.0	100.0
Total	100	100.0	100.0	
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Yes	68	68.0	68.0	68.0
No	32	32.0	32.0	100.0
Total	100	100.0	100.0	
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Yes	68	68.0	68.0	68.0
No	32	32.0	32.0	100.0
Total	100	100.0	100.0	
	Frequency	**Percent**	**Valid Percent**	**Cumulative Percent**
Yes	68	68.0	68.0	68.0
No	32	32.0	32.0	100.0
Total	100	100.0	100.0	

The total mean for ‘Perceived Usefulness’ is 3.98. This show that the respondents had answered the most at ‘Agree’ and ‘Undecided’. But, the ‘Agree’ has the highest percentage for the answers. . Representing 46% and 36% of the respondents were strongly agree and agree that E-payment saves a lot of time. But, there are 5% respondents disagree for this statement. Most of them agree that cashless payment can save their time in purchasing their things.

For the statement ‘Cashless payment minimizes the time I usually spent on payment’ the overall mean is 3.98. We found out that, 41% and 3% agree and strongly agree with the statement. It is also shows that 3% and 1% who answered disagree and strongly disagree. What we can concluded here is that, most of the respondents agree cashless payment minimizes the time they usually spent on payment.

For the third question, the total mean is same with questions number two that got 3.98. From the Table and Figure 4.9 above, it can have concluded that 41% and 28% respondents have agree and strongly agree that cashless payment helps them in terms of making better payment decisions. Still in the low scale, 6% of them disagree and 1% strongly disagree. So, the conclusion is that, most respondents agree with statement.

The overall mean for the question number four is 3.87%. This can conclude that 39% and 25% of respondent’s answer agree and strongly agree. This means they agree cashless payment makes it easier for them to make products comparison among payment modes. But, 2% of respondents

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disagree with this statement. Based on the mean of 3.87% we can say that most of the respondents agree that cashless payment is easier modes of payment compared to cash payment.

Last but not least, for questions number five there are variables scales that respondents have chosen which that make the overall mean is 3.93. Result shown, 42% and 29% choose agree and strongly agree that the cashless payment enables them to accomplish tasks more quickly. Besides, 3% and 2% disagree and strongly disagree but, we can see although a few respondents disagree, overall of them still agree that cashless payment faster to complete tasks.

Table 3 Perceived Ease of Use

Items	Strongly Disagree %	Disagree %	Undecided %	Agree %	Strongly Agree %	Mean %
Perceived Ease of Use						**3.998**
Do not get frustrated on using cashless payment.	3.0	4.0	24.0	26.0	43.0	4.02
Easy to learn and use.	3.0	1.0	26.0	26.0	44.0	4.07
Flexible in performing cashless payment.	0	3.0	28.0	45.0	24.0	3.90
Provides various payment channels that ease my online shopping process.	1.0	1.0	24.0	47.0	27.0	3.98
Interaction with cashless payment system has been clear and understandable.	1.0	1.0	21.0	49.0	28.0	4.02

Based on Table 3, overall mean is 4.02. Representing 43% and 26% of the respondents were strongly agree and agree that they do not get frustrated on using cashless payment. This explained that they know that cashless payment will easier and not frustrated in using it because everything was control in specific system and we don't need to calculate the money when make payment or check the balance after finish transactions. But, there are 4% answered disagree and 3% answered strongly disagree. So, we can have concluded here, most of respondents agree with this statement.

Next for the statement, 'cashless is an easy to learn and use' the overall mean is 4.07 indicates that 44% respondents strongly agree and 25% agree that cashless payment is easy to learn and use. This is because most of them used online banking to make payment such as CIMB Clicks or

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Maybank 2u. Other than that, 1% who tick disagree and 3% who tick strongly agree with this statements. But, overall of the respondents agree that cashless is easy to learn or use.

For the third question, the total mean is 3.90. From the Table and Figure 4.9 above, we can conclude that 45% and 24% respondents have agree and strongly agree that they feel flexible in performing cashless payment and 3% choose to answered disagree. So, the conclusion is, based on this statement, most of them agree that cashless payment make them feel flexible in performing cashless payment.

The overall mean of Table and Figure 4.9 is 3.98%. This can conclude that 47% respondents answered agree and 27% of respondents answered strongly agree. This means they agree cashless payment provides various payment channels that ease their online shopping process. And 1% of respondents choose to answered disagree and 1% answered strongly disagree. Overall of this shown that, respondents agree that cashless payment will provides various payment channels to be easier for them make payment.

The overall mean for the fifth question in Table 5 is 4.02. For the last question for the part C of Perceived Ease of Use, about the interaction with cashless payment system has been clear and understandable. For this statement, there are 49% of the respondents have chosen agree and 29% for strongly agree. That's mean they agreed for this statement that the cashless payment system has shown the clear and understandable system for them. Other than that, 1% of respondents has answered disagree and strongly disagree. What we can concluded here, most of respondents agree that cashless payment has clear and understandable system.

4.0 CONCLUSION

This study had found that 68% consumer adopted cashless payment in Chukai (Kemaman) and 32% not adopted cashless payment in their daily life. Researchers also found that the most factor that effects the consumer acceptance in cashless payment is 'Perceived Ease of Use' and Perceived Usefulness be number two. This position of the factors and effects are determined by the mean for each of the questions. So, based on this study, we can conclude that, cashless payment can be used in Chukai (Kemaman) because half of them already adopted cashless payment in their daily life such as, making payment using debit card, online baking, cheque and E-payment. Only a few of them do not agree to adopted cashless payment in their daily life. This maybe because their still lack of experience in using E-payment or still not believe to use cashless payment.

As been stated before, 'Perceived Ease of Use' is the most factor influence consumer acceptance of cashless payment. For this factor, most of the respondents agree that cashless payment is easy to use and learn. It's also provides various payment channels that ease online shopping process and cashless payment have clear and understandable system. Based on the result, mean of this factors are 3.998. So, this research can prove that cashless payment is easy to use and more flexible enough to consumer to been used in their daily life. For the second factor, Perceived Usefulness show that most of respondents agree that cashless payment is very useful because can save a lot of time and minimizes their time when spent on payment. It's also can easier for them to make products comparison among payment modes and enables them to accomplish tasks more quickly.

As we can see from the results, mean for this factors are 3.98. This totally shown that researcher also can prove that the usefulness of cashless payment can attract more consumer to adopted cashless payment in their daily life. Lastly, according to a 2017 report by comScore Inc, Malaysian digital users between the ages of 15 and 24 mostly access the Internet via mobile devices only, while those between the ages of 24 and 35 are multi-platform users, including desktop computers and mobile devices. So, this shown cashless payment will be accepted by consumer in Chukai (Kemaman) because making online purchases and payments via mobile applications and electronic wallets are part of their daily routines.

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