EFFECT OF CASHLESS POLICY ON THE PERFORMANCE OF SMALL-SCALE BUSINESSES IN NIGERIA

Odumusor, Charles Joseph

Department of Accountancy, University of Cross River State (UNICROSS), Calabar, Cross River State, Nigeria

Abstract

The piece of research examined the effect of cashless policy on the performance of small-scale enterprises in Nigeria: a study of selected small-scale businesses in Cross River Northern Senatorial district. The specific objectives were to examine the effect of Automated Teller Machine (ATM) transactions on the performance of small-scale businesses in Cross River Northern Senatorial district, to determine the effect of internet banking transactions on the performance of small-scale businesses in Cross River Northern Senatorial district and to examine the effect of Point of Sale (POS) transactions on the performance of small-scale businesses in Cross River Northern Senatorial district. This study adopted the descriptive research design. The target population for this study comprises of 122 staff of Gomara farms Ltd, Ushie Table Water Ltd and Blessed Brother Bread Ltd. The sample size of 111 was calculated using the Krejcie and Morgan (1970) table. The researcher adopted the Simple Random sampling method in selecting respondents from the target population. The data collected were analyzed using the Ordinary Least Square regression with the aid of Statistical Package for Social Sciences (SPSS 27) with the output presented using descriptive and inferential statistics. The study found out that Automated Teller Machine (ATM) transactions, internet banking and Point of Sale (POS) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district. It was recommended that there is need for massive sensitization, awareness campaign and enlightenment of people on the need for and importance of cashless economy. Again, while the authorities strive to consolidate the gains of the cashless system, there is an urgent need to tackle the challenges confronting the full actualization of this policy.

Keyword: Cashless Policy, Small Scale Businesses, Performance

1. Introduction

It is believed that small and medium scale businesses (SMEs) are the basis for any country's economy in terms of given more jobs to its larger population through increase in money flow to the economy. Based on this, it is of paramount importance to come up with policies and ensure their full implementation in order to boost the performance and growth of these SME's (Augusto, 2012).

In 2012, Nigeria through the Central Bank (CBN) introduced the cashless policy. A cashless economy is one in which a society is controlled to have the least needed amount of cash in circulation, the rest of which is executed electronically through the use of direct debit, mobile payments, electronic fund transfer, internet banking, multi-functional Automated Teller Machines (ATMs), point of sale stations (POSs), amongst others (Nweke, 2019). Simply put, a cashless economy involves a prevalent application of various computer technologies in the financial system (Okoye & Ezejiofor, 2017). The system offers way for goods and services to

be bought by individuals without anything tangible being exchanged, using what is known as electronic cash. The word money still exists, but it is more in an electronic procedures form than previously.

The benefits of acceptance of cashless economy include reduction in corruption and the cost of services by banks (such as cost of credit), improved operational efficiency, improved financial inclusion, via providing substitutions that aid easy transactions and greater reach, and enhanced efficiency of the monetary policy in managing the level of inflation and driving the growth of the economy (Atanda & Alimi, 2018).

Other aids include increased suitability in transaction; promotion of e-commerce; decrease in circulation of fake currency, theft of cash from individuals, money laundering, and stockpiling of cash in houses by corrupt government officials (Lamikanra, 2019). Nevertheless, implementing cashless policy postures some risks. Since individual information and data will now reside online, it becomes gradually difficult to control internet hackers and thieves.

Other shortcomings are potential increase in cybercrimes, improved sophistication in operation of hackers and scammers, increase in theft of ATM, credit and debit cards, to mention but few (Ovat, 2017). This emphasizes why a secure national cyberspace is important to the success of cashless policy enactment.

Over the last few years, small and medium scale enterprise owners have innovatively responded to changing market dynamics by adopting innovations in their firms aimed at maximizing their returns as they minimize costs (Makee & Willy, 2014).

Innovation economists Joseph Schumpeter looks at innovation as the application of better solutions that meet new requirements, unarticulated needs or existing market needs. This according to him is accomplished through more effective products, processes, services,

technologies or ideas that are readily available to markets, governments or societies (Nweke, 2019).

Cashless policy is the new innovation in the banking sector that was brought about by our quest for digitalization and evolution of the payment system. Atanda and Alimi (2018) in their research described cashless economy as an economy where spending of money is not dependent on the carriage of money from one person to the other. It is characterized by the electronic transactions via the use of electronic enabled debit/credit cards as well as internet and mobile technology.

The cashless policy encourages the use of electronic banking tools instead of cash. Chibueze, Maxwell and Osondu (2013) opines that electronic delivery channels include internet banking, smart card banking (the use of ATM machine) and mobile or telephone banking allows individuals to check their account balances and make fund transfers using their mobile phones.

E-payment systems for trading could be classified into two distinct parts; wholesale and retail payment systems. Wholesale payment consist of corporate transaction, while retail payment system include: small product quantity transactions involving consumers through the use of such payment medium like smart cards, credit and debit cards as well as online payment mediums etc. (Akintaro 2012 as cited in Makee & Willy 2014).

The cashless policy implemented by CBN in the last quarter of 2022 had positive as well as negative consequences on the performance of SMEs in Nigeria. SMEs performance can be termed to be the firm's success in the market, which may have different outcomes and can be referred to as the focal phenomenon in Enterprises studies which invariably can be characterized as the firm's ability to create acceptable outcomes and actions (Chittithaworm, Islam, Keawchanai& Yusuf, 2019). Julius

(2011) and Jamiya (2010) in their studies on SMEs used changes in sales, profit and assets to measure performance while Appolot (2012) as cited in Muhammed (2016) used sales growth, profitability, return on investment and market share as measures of SMEs performance. The goal of this study was to examine the effect of cashless policy on small scale business performance in Nigeria.

2. Statement of the problem

All banks compete with each other to attract their customers in different ways by providing convenient, accessible and acceptable services or/and products to their customers. One of the most important of these services is cashless economy (electronic services) which has contributed significantly to reduction in the distance between costumers and the banks **(**Kannabira& Narayan, 2015).

Today's banking situation demands continuous innovation in order to meet the yearnings and aspirations of the ever-demanding customers. Hence, banks need to roll out new products and services quickly and effectively, using latest cutting-edge technology (Augusto, 2012). Cashless policy enables banks to improve their service delivery, decongest queues in the banking halls, enable customers withdraw cash 24/7, aid international payments and remittances, track personal banking transactions, request for online statements, or even transfer deposits to a third-party account.

Those services will undoubtedly impact significantly on the overall performance of small and medium scale enterprises. The small and medium scale enterprises on the other hand, stand to enjoy the benefit of quick service delivery, reduced frequency of going to banks physically and reduced cash handling, which will give rise to higher volume of turnover (Fagbuyi, 2003).

However, these developments in the Nigerian banking industry seem not to have achieved their aims. Despite the effort of banks to ensure that customers reap the benefits of e-banking, the bank is met with complaints from customers as regards, online theft and fraud, non-availability of financial services, payment of hidden cost of electronic banking like Short Message Services (SMS), for sending alert, mandatory acquisition of ATM cards, non-acceptability of Nigerian cards for international transaction, malfunctioning Automated Teller Machines (ATMs) and network downtime. Other problems observed that are associated with Nigerian's cash-based economy, which include: delays in financial transactions which can be caused by queue in the bank or ATM to collect cash, lack of network which affect mobile banking and Web, banking Spread of bacteria through handling physical cash, high rate of crime, terrorism and corruption. Okafor (2012) postulated people are always faced with the challenges of violent crimes (insecurity) such as, bank and ATM robberies however, it is the situation in Cross River Northern Senatorial district? Based on the foregoing, the study examines the effect of cashless policy on the performance of small-scale enterprises in Nigeria: a study of selected small-scale businesses in Cross River Northern Senatorial district.

3. Objectives of the study

The main objective of this study was to examine the effect of cashless policy on the performance of small-scale enterprises in Nigeria: a study of selected small-scale businesses in Cross River Northern Senatorial district. The specific objectives were;

i. To examine the effect of Automated Teller Machine (ATM) transactions on the performance of small-scale businesses in Cross River Northern Senatorial district.

ii. To determine the effect of internet banking transactions on the performance of small-scale businesses in Cross River Northern Senatorial district.

iii. To examine the effect of Point of Sale (POS) transactions on the performance of

small-scale businesses in Cross River Northern Senatorial district.

4. Literature review

4.1 Conceptual framework

4.1.1 Concept of cashless economy
Cashless economy is an economic system which aims at reducing, not eliminating the amount of physical cash circulating in transactions. A cashless economy, according to Adewale (2012), simply illustrates a gradual or a radical movement of the entire payment system of an economy from the use of physical cash to a systemic adoption of other non-physical cash mode of payments in settlement of all types of transactions, including all commercial, homes, personal, local and international trade both in public and private life within the economy. Under the cashless payment system, customers could do their normal basic transactions like payment for goods and services, person to person transfer directly on their electronic devices (Makee & Willy, 2014). Both parties in a transaction require having these facilities. The digital payment facilities don't limit to commercial transactions, but also extend to payment of utility bills, school fees, hotel bookings, house rents etc. The most outstanding cashless payment channels all over banking, electronic cards, implants, point of sale (POS) terminal, ATM etc.

Many countries are now working for a cashless society; Sweden is shaping up to be the first country in the world to plunge its citizens into a fascinating and a terrifying economic experiment for a cashless society. Sweden started the journey towards cashless economy many years ago. Take a bus ride, buy a magazine or a chewing gum, digital payments are accepted everywhere. Countries like Norway, Denmark, Belgium, France, UK etc. also lined up for a cashless society. Move towards the cashless economy is not a single day framework (Ovat, 2017). It is the evolution with information and communication technology (ICT).

A cashless system is the ability to store cash in digital form and use it according to requirements. Users are issued a card or digital payment mode by a bank or financial institutions. A range of terminals at consumption points are provided which are able to read cards and digital payment modes. Simply by inserting the card into the terminal or entering a digital payment code, and following given instructions, money is transferred and transactions come to end (Lamikanra, 2019). Card readers (terminals) are installed at all points of sale (e.g., vending machines, restaurant tills, coffee bar). There is no physical cash exchange so it is free from theft, damage, losses, etc. Instead of carrying physical cash at the point of sale, the card or digital payment clears the total sum of the purchase quickly and accurately. The amount is deducted from the customer's account (Ovat, 2017).

4.1.2 Cashless policy in Nigeria
It is estimated that approximately 65 percent of the cash in circulation in Nigeria is outside the banking system, severely limiting the price and economic stability effect of the CBN's efforts. (CBN, 2011). As a result of saving, the amount of money available to banks for the creation of new money is reduced. As a result, the large scale of this informal sector has an impact on the viability of banks, which is heavily reliant on the volume of capital available for lending (Alagh &Ene, 2014). Among other things, this situation prompted the Nigerian Central Bank, in collaboration with the Bankers Committee, to implement the cashless policy, which was designed to provide mobile payment services aimed at breaking down traditional barriers to commerce to the financial inclusion of millions of Nigerians, as well as the protection and provision of convenient financial services throughout the country's metropolitan, semi-urban, and rural areas (Chibueze et al., 2013).

The CBN cash policy, effective March 30, 2012, established a regular combined cap of N150,000 and N1,000,000 for automatic cash withdrawing and lodging by persons and business customers in Lagos State, respectively. Persons and private organizations that make cash purchases in excess of the cap would be charged a processing fee. Furthermore, as of January 1, 2012, third-party cheques in excess of N150,000 will not be redeemable over the counter. All Nigerian banks were expected to discontinue cash-in-transit merchant-customer lodging services on January 1, 2012. According to the Central Bank of Nigeria (CBN, 2011), Lagos state was chosen as the first port of call for implementation because it accounted for 85% of POS and 66% of cheque transactions in Nigeria (Muotolu & Nwadialor, 2019).

The recent development in the stream of cashless policies was implemented in October, 2022 when the CBN announced its intention to redesign the currency with the aim of checking terrorism financing, counterfeiting and imbalances in the fiscal space and to control the amount of money in circulation.

5. Channels of cash payment in a cashless economy

Some remaining cashless banking channels recognized all over the world are mobile banking, internet banking, and telephone banking. They are clarified below.

5.1 Automated Teller Machine (ATM)

This is an automated teller machine that dispenses cash and basically performs all other functions done by a teller in a banking hall like balance inquiry, give mini statements and bills payment, recharge functions etc. (Atanda & Alimi, 2018). A personal identification number (PIN) has to be entered along with credit or debit card to access cash. Some ATMs will allow for cash deposits and bill payments. The CBN has approved N55 as income to the bank from the 4th transaction done by the cardholder of another bank's card on the ATM terminal. It is a cash point that can be used to withdraw cash or do Transfers (Makee & Willy, 2014). A debit card or credit card is used atthe machine to withdraw cash. The CBN has stipulated 72 hours for responding to ATM complaints by banks, failing which the customer can escalate to the CBN. The CBN is also trying to establish a card arbitration panel that will act as a payments system ombudsman to fast-track resolution of disputes.

The Automated Teller Machine (ATM) was presented into Nigeria market in 1989; as a matter of fact the very first Automated Teller Machine (ATM) in Nigeria was first fixed by National Cash Registers (NCR) for the defunct Society General Bank in 1987. ATM is a computer-controlled device that allots and provides other services to customers who classify them with a personal identification number (PIN). The physical posture of cash as well as frequent visit to the banks is being reduced (Augusto, 2012). The ATM is the most popular e-transaction solution in Nigeria and is popular because of its convenience. With ATM, it is a lot easier to withdraw money or to check account balance.

Alao (2019), posit that ATMs are a cost-efficient mode of yielding higher productivity as they attain higher productivity per period of time than human tellers (an average of about 6,400 transactions per month for ATMs likened to 4,300 for human tellers. Also, as the ATMs continue when human tellers stop, there is repeated productivity for the banks even after banking hours. The principal advantage of ATM is that it dispenses cash at any time of the day even as it needs not to be positioned within the banking premises but in stores, shopping malls, fuel stations etc, unlike the traditional method where customers have to queue for a very long period of time to withdraw cash or transfer funds.

However, despite its popularity, the ATM has done very little in reducing the amount of cash in the economy. This is because most Nigerians use ATM only for cash withdrawal. Although ATM

machines can perform other functions like fund/cash transfer, mobile phone credit recharge and bills payment, cash withdrawals and balance inquiry remain the most popular applications sort after by users in Nigeria. This is largely due to ignorance and the absence of merchants (Ovat, 2017). Because ATM machines are mainly used for cash withdrawals, they do not go far enough in turning Nigeria into a cashless economy. ATM only makes more cash available in the economy since of the ease at which depositors can withdraw cash. To turn Nigeria into a cashless economy Nigerians, need more than just ATM cards, Nigerians need credit/debit cards (Ekwueme, 2018)

5.2 Point of Sale (POS) machine

This mode of e-banking handles cheque confirmation, credit authorization, cash deposit and withdrawal, and cash payment. It improves electronic fund relocation at the point of sales (Lamikanra, 2019). Thus, customers account would be debited directly with the cost of purchase in an opening such as a petrol station or supermarket. The suggestion of this is that customers can make payment for goods and services without necessarily coming in contact with bodily cash as the purchase price would be debited on the buyer's card and credited on the seller's account. (Abubakar, 2017).

Point of Sales (POS) machine or terminal is an electronic device used in payment for goods and services. It can be found in supermarkets, hotels, filling stations, shops etc. A charge known as Merchant Service Charge (MSC) is charged on all transactions done on POS terminals; this charge is borne by the merchant. The maximum total fee a merchant can be charged for any POS terminal transaction is 0.75% of the transaction value or ₦1,200.00 caps. Point of Sale refers to the location at which a payment of a card transaction occurs, usually by way of a device such as a credit card terminal or cash register (Jamya, 2010). The industry has endorsed four manufacturers for the supply of Point-of-Sale terminals - PAX, Bitel, Ingenico, and Verifone -

with negotiated discounts and local support arrangements. A POS can be purchased from any of these four for as low as ₦45,000.00 per terminal. However, parties are free to purchase POS terminals from any manufacturer; so far, they meet the POS specifications in the Point-of-Sale guidelines.

5.3 Internet banking

It is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website via electronic devices like mobile phones, iPads, laptops, Desktops etc. right at the comfort of their homes, offices and other places of convenience (Muhammed, 2016). Internet banking gives customers the opportunity of enjoying banking services from the comfort of their homes and offices, (Siyanbola, 2018).. This means that customers can buy goods by placing orders from the net, instruct their banks to pay the vendor the invoice amount involved, and the products are delivered to the destination where the buyer wants (Atanda & Alimi, 2018).

6. Small scale enterprises

Small and Medium Enterprises (SMEs) play important roles in the economic growth, which increasingly draws public attention in recent decades. The specific attention on them based on their expected impact and potential contribution on broad and diversified production base, as well as their accelerative effect in achieving macro-objectives pertaining to full employment, income distribution and the development of local technology (Aiden, 2013).

Small and Medium Enterprise Development Agency of Nigeria SMEDAN (2012) also adopts dual criteria in defining SMEs in its collaborative study with National Bureau of Statistics. The study defines micro enterprises as those employing less than 10 and having total assets of less than ₦5,000,000, small enterprises as those employing between 10-49 and total asset of ₦5,000,000-₦50,000,000 and Medium

Enterprises employing between 50-199 and a total asset of ₦50,000,000-₦ 500,000,000.

This study adopts the SMEDAN definition because of its decency and widespread acceptance. The employment criterion will be used in the study because it is readily available and relatively easy to get. More so, it is the most common criteria used in National SMEs worldwide (SMEDAN, 2012).

7. Internet banking and the performance of SMEs

Internet banking or internet banking can be defined as an internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments. With the exception of cash withdrawals, Online banking gives small and medium scale enterprises access to almost any type of banking transactions at the click of a mouse. The use of the internet banking as a new alternative channel for the distribution of banking services has become a competitive necessity instead of just a way to achieve competitive advantage with the advent of deregulations, globalization, technology and competition (Abubakar & Tasmin, 2012).

Internet banking refers to systems that enable small and medium scale enterprises to get access to their accounts and general information on bank products and services through the use of a bank's website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations (Simon & Thomas, 2016). Siyanbola (2018) puts it that online banking involves conducting banking transactions on the internet (www) using electronic tools such as the computer without visiting the banking hall.

Internet banking is defined by Palmta (2014) as an internet portal through which consumers, small and medium scale enterprises, and other business ventures can use different kinds of banking services ranging from bill payments to making investment.

Automated Teller Machines (ATM) and performance of SMEs

In today's business environment, globalization and international experience has become critically important, hence, Ayo, Adewoye and Oni (2011) posited that "banking industries can no longer get away with operating loosely connected groups of businesses that happen to be located around the world, but must tactically synchronize their operations.

Ramas (2018) maintains that only the banks, businesses, industries, and any segment of the community that clearly understands the new rules of doing business in a global business economy will succeed. In view of this, global competition in the banking sector has compelled management and executives to recognize that they must think differently about banking and management of operations. Studies have shown that universal banking operation required that the only avenue to prosper is to develop an effective global bank management mechanism with staffs that are competent to structure multinational business techniques through the adoption of modern technology such as automated teller machines (Mahmood et al., 2014).

Automated Teller Machine (ATM) is a machine where cash withdrawal can be made over the machine without going in to the banking hall. It also sells recharge cards and transfers funds; it can be accessed 24 hours/7 days with account balance enquiry (Fenuga, 2010). Automated Teller Machine (ATM) is a computerized telecommunications device that provides the customers of a financial institution with access to financial transactions in a public space without the need for a human clerk or bank teller (Abubakar & Tasmin, 2012).

Ali and Emenike (2016) perceive Automated Teller Machine (ATM) as a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller.

Today, ATMs are placed not only near or inside the premises of banks, but also in locations such as shopping malls, airports, grocery stores, petrol/gas stations, restaurants, Cinemas, club, Hotels, Churches, Mosques, bus stations, train stations or any place large numbers of people may gather (Hazlina*et al,* 2011; Abdullah & Tasmin, 2011). Using an ATM card (whether debit card or a credit card), small and medium scale enterprises can electronically access their accounts and withdraw funds, make payments and check balances. ATMs have eliminated the need to enter a bank for basic transactions and allow access to accounts at machines throughout Nigeria as well as in other countries of the world. Financial institutions started charging fees to use their ATMs in the mid-1990s, making the transactions very profitable for the host banks. ATM is located in banks and cutomer's convenience areas. This allows customers to drive up and complete financial transaction without ever leaving the safety of their belongings (Ali & Emenike, 2016).

Point-of-sales (POS) and the performance of SMEs

POS is one of the e-payment systems introduced in Nigeria to further the course of cashless policy. POS is an electronic payment device which enables individuals to make purchases with electronic cards. POS accepts ATM cards for payment of goods and services. This card stores account information on microchips. The microchip contains a purse in which monetary value is held electronically. The card can be used to make purchase of goods and services online, in supermarkets, shopping malls, and other market places. POS allows cardholders to have a real time online access to funds and information in their bank account through debit or cash cards. POS deployment is projected to hit 350,000 in 2014 from 120,191 in 2013, reflecting growing acceptance of POS and electronic card payments. This is because between 2012 and 2014, it was found that the volume of transactions conducted via POS increased by 183% compound annual

growth rate (CAGR) suggesting significant adoption and usage of POS (NIBSS, 2015).

The POS unit handles the sales to the consumer, small and medium scale enterprises, and other business ventures but it is only one part of the entire POS system used in a small-scale business. Other typical functions of a POS system are: store sales information for enabling customer returns, reporting purposes, sales trends and cost/price/profit analysis. Customer information may be stored for receivables management, marketing purposes and specific buying analysis. Many small-scale business POS systems include an accounting interface that "feeds" sales and cost of goods information to independent accounting applications which increases the performance of small-scale enterprise.

"Recently new applications have been introduced, enabling POS transactions to be conducted using mobile phones and tablets" (POS Terminals Market Analysis 2014). According to a recent study, mobile POS terminals are expected to replace the contemporary payment techniques because of various features including mobility, upfront low-cost investment and better user experience in other to improve the performance small and medium scale enterprises, and other business venture. Convenience of conducting remote financial transactions is expected to augment the demand from small and medium businesses for m-POS (POS Terminals Market Analysis, 2014)

8. Theoretical framework

This study was anchored on Technology Acceptance Theory

8.1 Technology Acceptance Theory

This theory was proposed by Davies (1985). The technology acceptance theory postulates the adoption of Technology Acceptance Model (TAM) in businesses to increase economic growth (Ajayi, 2014). The technology acceptance theory is one of the theories that have been developed to provide a better understanding of the usage and adoption of information

technology. It is presently a prominent theory used in modeling technology acceptance and adoption in information systems research. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it. These factors are perceived usefulness defined as the degree to which a person believes that using a particular system would enhance his or her job performance, and perceived ease of use defined as the degree to which a person believes that using a particular system would be free from effort (Davis, 1989). These two factors are considered to be the primary determinants for adopting and using a new technology and are influenced by other variables such as security concerns, cost, convenience, and satisfaction (Lu, Yu, Liu & Yao, 2013). Perceived ease of use directly affects perceived usefulness and both determine the user's attitude towards use, (behavioral intention to use -BIU) and eventually to the actual use of the system (Viehland & Leong, 2017).

TAM was chosen as the appropriate model and was extended to include other factors such as perceived ease of accessibility of the mobile payment services, perceived low cost of the mobile payment services, perceived convenience, perceived security, perceived support from the mobile services provider and from the government, perceived satisfaction and actual usage of the mobile payments.

8.2 Diffusion of innovation theory

Rogers (1962) propounded the diffusion of innovation theory. He offered the following description of an innovation. An innovation is an idea, practice or project that is perceived as new by an individual or other unit of adaptation (Roger, 1962). An innovation may have been invented longtime ago, but if individual perceive it as new, then it may still be an innovation for them. The newness characteristics of an adoption are more related to the three steps (knowledge, persuasion and decision) of the innovation-decision process. In addition, roger claimed there

is a lack of diffusion research on technological clusters. For Roger (1962), "a technology cluster consists of one or more distinguishable elements of technology that are perceived as being closely interrelated.

In general, (IDT) explains individuals" attention to adopt a technology as a modality to perform a traditional activity. The critical factors that determine the adoption of an innovation at the general level are the following: relative advantage, compatibility, complexity, trial ability and observability (Moga, 2020). Many SMEs have found it advantageous to adopt ICT in their operation in order to improve their efficiency. This is achieved through development of websites and mobile applications that suit the customer needs. This theory is concerned with the manner in which a new technological idea, artifact or technique, or a new use of an old one, migrates from creation to use. According to IDT, technological innovation is communicated through particular channels, over time, among the members of a social system.

The stages through which a technological innovation passes are: knowledge (exposure to its existence, and understanding of its functions); persuasion (the forming of a favourable attitude to it); decision (commitment to its adoption); implementation (putting it to use); and confirmation (reinforcement based on positive outcomes from it) (Arnaboldi & Claeys, 2018). In the same way internet banking has been enhanced due to cyber threats and fraud. Early users generally are more highly educated, have higher social status, are more open to both mass media and interpersonal channels of communication, and have more contact with change agents. Mass media channels are relatively more important at the knowledge stage, whereas interpersonal channels are relatively more important at the persuasion stage. Innovation decisions may be optional (where the person or organization has a real opportunity to adopt or reject the idea), collective (where a decision is reached by consensus among the

members of a system), or authority-based (where a decision is imposed by another person or organization which possesses requisite power, status or technical expertise).

9. Empirical review

Ejoh, Adebisi and Okpa (2017) examined the cash-less economic system so as to assess the relationship amid Information and Communication Technology (ICT) and the application of cash-less policy. In order to achieve the primary objective of the study, the study used structured questionnaire as a earnings of data collection from 120 respondents randomly selected. The data was analyzed using simple percentage procedure, and the collated data tested using chi-square technique. Their study revealed that there exists a significant relationship between ICT and cash-less policy application in the Nigerian financial environment. Based on the findings it was recommended that the federal government of Nigeria should collaborate with all the states ICT centers and other private institutions to provide mass ICT education for the computer illiterates and banks should invest more in e-banking technology in mandate to enhance public awareness which would in turn encourage cash-less economy in Nigeria.

Humphrey (2017) examined the Influence of Cashless Policy on Small Scale Businesses in Ogoni Land of Rivers State, Nigeria. The purpose of this study is to examine the impact of cashless policy on small scale businesses. The study approved out in Ogoni of Rivers state, using the purposive sampling technique, 250 owners and operators of small-scale businesses were selected and achieved questionnaire. The data collected were coded and analyzed using frequency table and percentage, while regression analysis was used to test the framed hypotheses using SPSS (Statistical Package for Social Sciences). The results specify that: small scale businesses in Ogoni land are predominately involved by sole proprietorship with meager income with a significant statistics of them

having a very poor banking habit; it was also initiate out that small scale businesses statistically do not trust on heavy capital outlay; couple with the fact that provision of services is their main business action makes bank transaction, ATMs procedure and online banking of less or no significance since their operation is grossly hinged on "cash and carry basis"; the findings from the study also propose that operators of small scale business have zero tolerance to ICT practice in both the operations and transactions of their businesses; and this establish a major challenge to the adoption of cashless policy in the study area and usually, there was a negative significant effect of the introduction of cashless policy on the processes and growth of small scale businesses in Ogoni land. Based on the findings some recommendations among others made are: the need for government to harness efforts which should be directed at enlightening the activities of small-scale businesses through concerted policies, regulations and actions that will encourage and empower small scale businesses monetarily thus making the sector lively and productively ready to withstand a cashless economy.

Obiekwe and Anyanwaokoro (2017) investigated the effect of Electronic Payment Methods(EPM) on the profitability of commercial banks in Nigeria. In order to achieve the broad objective, the study specifically investigated the effect of Automated Teller Machine (ATM), Point of Sale (POS) and Mobile Payment (MPAY) on the profitability of commercial banks in Nigeria. A total sample of five (5) banks was considered for the period 2009 to 2015 and the study adopted the Panel Least Squares (PLS)estimation technique as the analytical tool. Data were collected from the Central Bank of Nigeria (CBN). Findings revealed that Automated Teller Machine (ATM) and Mobile Phone payment have a significant effect on the profitability of commercial banks in Nigeria. However, Point of Sale (POS) has an

insignificant effect on commercial banks' profitability in Nigeria.

Okoye and Ezejiofor (2017) examined the significant benefits and essential elements of cashless policy, and the extent to which it can enhance the growth of financial stability in the country. The descriptive research design was adopted for the study with a sample size of 68 questionnaires arrived at using the convenience sampling technique. The data collected was subjected to face validity test, and was tested with ANOVA and chi – square (x2) technique and the results indicate that: majority of Nigerians are already aware of the policy and majority agree that the policy will help fight against corruption/money laundering and reduce the risk of carrying cash. Major problems envisaged to hamper the implementation of the policy are cyber fraud and illiteracy. Based on the findings, they recommended that government should adopt a different strategy to educate the non-literate Nigerians about the cashless economy; and a framework should be worked out to provide cyber security in Nigeria.

Taiwo, Ayo, Afieroho, and Agwu (2017) in their study appraised the implementation of the cashless policy since its introduction into the Nigerian financial system in 2012 and also to examine the persistent challenges facing its implementation. In view of the above-stated objective, primary data were collected with the aid of the questionnaire, which was randomly administered to 120 respondents ranging from First Bank, Zenith Bank and United Bank for Africa. The banks were selected based on their total assets and the information collected covered the activities of the CBN and that of these banks toward simplementation of the cashless policy from 2012 to date. The data collected were presented and analyzed with the aid of the Statistical Package for Social Sciences (SPSS) using descriptive statistics and one samplet-test. The results led to the conclusion that despite the need to operate cashless transactions dominating the modern Nigerian economy, the cashless policy will have the desired impact only if a lot is done to ensure the implementation of an effective cashless system.

Njenga and Shale (2017) examined the role of electronic point of sale on supply chain performance in the retail sector in Kenya among selected supermarket chains in Nairobi County. This research adopted a purposive sampling technique in selecting the sample. Pearson's correlations coefficients were run to examine the relationship among the independent and the dependent study variables that were set out in the objectives of the study. The review discoveries demonstrated that progress in Supply Chain Performance at retail division can be explained by four factors in particular rapid scan systems, cloud-based communication systems, mobile point of sale and EFTPOS. Effects of rapid scan systems, cloud-based communication systems, mobile point of sale and EFTPOS were found to be statistically significant with a positive effect on supply chain performance. The study recommends that it is important that Supermarkets constantly look at ways to improve customer experience through the use of EPOS.

10. Methodology

10.1 Research design
This study adopted the descriptive research design.

10.2 Sample Size
Sample simply refers to a sub-section of the population from which information may be collected for the research. The sample size was calculated using the Krejcie and Morgan (1970) table.

Sample size determination

Name of Organization	Population	Sample Size
Gomara Farms Ltd	39	36
Ushie Table water Ltd	48	43

Blessed Brothers Bread Ltd	35	32
Total	**122**	**111**

Source: Researcher's computation from bank employee record (2023).

10.3 Reliability and Validity of the Instrument

The validity of the instrument was determined through face and content validity. As regards reliability, Cronbach Alpha's test was carried out to ascertain the reliability of the research instrument.

10.4 Reliability Test

Cronbach's Alpha	Number of Items
.861	20

Source: Researcher's Field Survey, 2023.

The table 1 shows the reliability of the questionnaire used for the survey research. The Cronbach's alpha value is 0.861 which is an indication that the questionnaire is reliable and can be used for the research work.

10.5 Model Specification

A multiple linear regression model was employed to assess the research topic. The multiple regression model was deemed appropriate for the study given the nature of the data and the research questions, hypotheses formulated, and the general aim of the study. The functional model was written in explicit form as follows;

The model is shown below;

$$SP = F(AT, IT, PT) \dots\dots\dots\dots\dots (1)$$

Where:

SP= Small scale businesses performance

ATM = Automated Teller machine transactions

INB= Internet banking transactions

POS= Point of Sale transactions

In a regression form, it will become:

$$SP = \beta_o + \beta_1 AT_{It} + \beta_2 IT_{It} + \beta_3 PT_{It} + \mu \dots\dots\dots\dots\dots (3)$$

β_o = Constant Term

β_1 = Coefficient of Automated Teller machine transactions

β_2 = Coefficient of Internet banking transactions

β_2 = Coefficient of Point-of-Sale transactions

μ = Error Term

10.6 Data Presentation

Data presentation involves the conversion of series of recorded information obtained through questionnaire administered.

Table 4.1 Questionnaire Response Rate

		Frequency	Percent
Valid	Gomara Farms Ltd	32	33
	Ushie Table water Ltd	37	39
	Blessed Brothers Bread Ltd	27	28
	Total	96	100

Source: Researcher's Fieldwork, 2023

High survey response rates help to ensure that survey results are representative of the target sample and population. The researcher distributed 111 copies of questionnaires among employees of the selected SMEs. It was discovered upon analysis that 96 respondents adequately and satisfactorily filled the questionnaire, which was submitted and recorded successfully, with no missing values. Thus, the study obtained a good response as recommended by Mugenda & Mugenda (2003) that a response rate of 50% is good as a representative of the sample and that above 70% is excellent. The study response rate is 86% which validates and authenticates the execution of the survey as well as the procedure and process involved.

Table 4.2 Demographic Characteristics of the Respondents

Socio-demographic	Frequency (f)	Per cent (%)
Gender		
Female	58	60
Male	38	40
Total	**96**	**100**
Age		
18 –30 years	44	46
31 – 40 years	22	23
41 – 50 years	21	22
51 years and above	9	9
Total	**96**	**100**
Marital Status		
Single	47	49
Married	34	35
Divorced/Separated	3	3
Widow/Widower	12	13
Total	**96**	**100**
Educational Qualification		
SSCE/GCE	45	47
OND/NCE	38	40
B.Sc/HND	11	11
M.Sc/MBA/Ph.D	2	2
Total	**96**	**100**
Employment Status		
Owner/Managerial Staff	12	13
Non-Managerial Staff	84	87
Total	**96**	**100**
Years of Experience in Service		
1 – 5 Years	79	82
5 years and above	17	18
Total	**96**	**100**

Source: Researcher's Fieldwork, 2023

11. Data analysis

Table 4.2 showed that out of the 96 respondents, 58 (58 per cent) were females while 38 (40 percent) were females. The age distribution of the respondents revealed that 44 respondents (46 percent) were within 18 to 30 years of age, 22 respondents (23 percent) were within 31 to 40 years of age; 21 respondents (22 percent) were within 41 to 50 years, and 9 respondents (9 percent) were aged 51 years and above.

Further, the table showed that the marital status of the respondents, the table showed that 47 respondents (49 percent) were single, 34 respondents (35 percent) were married, 3 respondents (3 percent) were divorced/separated and 12 respondents (13 percent) were widow/widowers.

The table also captured the educational qualification of the respondents, the table showed that 45 (47 percent) were SSCE/GCE holders, 38 (40 percent) were OND/NCE holders, while 11 (11 percent) were B.Sc/HND holders and 2 (2 percent) were M.Sc/MBA/Ph.D holders.

The table also showed that 12 (13 percent) were owner/managerial staff while 84 (87 percent) were non-managerial staff. Lastly, the table showed that 79 (82 percent) had worked for 1 to

5 years while 17 (18 percent) had worked above 5 years.

TABLE 4.3: Responses from respondents from statement 8 to 12

S/N	Statements	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
8.	The use of POS terminal(s) has increased the number of customers that patronize your enterprise	48 (50%)	38 (40%)	5 (5%)	3 (3%)	2 (2%)	96 100
9.	You serve your customer faster when the POS terminal is active	43 (45%)	37 (39%)	12 (12%)	2 (2%)	2 (2%)	96 100
10.	Your customer buys and spend more when POS terminal is available and functional	47 (49%)	39 (40%)	5 (5%)	4 (4%)	2 (2%)	96 100
11.	The use of POS terminals for transactions reduces queues for payment in your enterprise	49 (51%)	41 (43%)	3 (3%)	2 (2%)	1 (1%)	96 100
12.	There is a big difference in income when the internet banking services are active and when there are not	48 (51%)	40 (42%)	6 (6%)	1 (1%)	1 (1%)	96 100

Source: Researcher's Fieldwork, 2023 (Computed with SPSS 27)

Table 4.3 showed the responses of the respondents to statement 8 to 12.

From the table, it was revealed that 48 (50 percent) strongly agreed, 38 (40%) agreed, 5 (5 percent) were undecided while 3 (3 percent) disagreed and 2 (2 percent) strongly disagreed to the statement "The use of POS terminal(s) has increased the number of customers that patronize your enterprise". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

The table also showed that 43 (45 percent) strongly agreed, 37 (39 percent) agreed, 12 (12 percent) were undecided while 2 (2 percent) disagreed and 2 (2 percent) strongly disagreed to the statement "You serve your customer faster when the POS terminal is active". It can be revealed from the analysis that the businesses serve their customer faster when the POS is active.

From the table, it was revealed that 47 (49 percent) strongly agreed, 39 (40%) agreed, 5 (5 percent) were undecided while 4 (4 percent) disagreed and 2 (2 percent) strongly disagreed to the statement "Your customer buys and spend more when POS terminal is available and functional". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

From the table, it was revealed that 49 (51 percent) strongly agreed, 41 (43%) agreed, 3 (3 percent) were undecided while 2 (2 percent) disagreed and 1 (1 percent) strongly disagreed to the statement "The use of POS terminals for transactions reduces queues for payment in your enterprise". From the data, it can be deduced that

majority of the respondents were in support of the statement.

The table also showed that 48 (51 percent) strongly agreed, 40 (42 percent) agreed, 6 (6 percent) were undecided while 1 (1 percent)

disagreed and 1 (1 percent) strongly disagreed to the statement "There is a big difference in income when the internet banking services are active and when there are not". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

TABLE 4.4: Responses from respondents from statement 13 to 17

S/N	Statements	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
13.	The volume of your sales has increased due to availability of internet banking network in your enterprise premise	48 (51%)	40 (42%)	6 (6%)	1 (1%)	1 (1%)	96 100
14.	The security platform for electronic payment system is adequate	46 (48%)	45 (47%)	3 (3%)	1 (1%)	1 (1%)	96 100
15.	The availability of cash at the ATM has helped increase the ease of doing business	43 (45%)	37 (39%)	12 (12%)	2 (2%)	2 (2%)	96 100
16	Adequate security personnel at the ATM increase customer confidence in making withdrawals for payment of services	45 (46%)	48 (50%)	3 (3%)	1 (1%)	0 (0%)	96 100
17	Cashless transactions consume less time	48 (50%)	38 (40%)	5 (5%)	3 (3%)	2 (2%)	96 100

Source: Researcher's Fieldwork, 2023

Table 4.4 showed the responses of the respondents to statement 13 to 17

From the table, it was revealed that 48 (51 percent) strongly agreed, 40 (42%) agreed, 6 (6 percent) were undecided while 1 (1 percent) disagreed and 1 (1 percent) strongly disagreed to the statement "The volume of your sales has increased due to availability of internet banking network in your enterprise premise". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

The table also showed that 46 (48 percent) strongly agreed, 45 (47 percent) agreed, 3 (3 percent) were undecided while 1 (1 percent)

disagreed and 1 (1 percent) strongly disagreed to the statement "The security platform for electronic payment system is adequate". It was revealed from the analysis that majority of the respondents were affirmative to the statement.

From the table, it was revealed that 43 (46 percent) strongly agreed, 37 (39 percent) agreed, 12 (12 percent) were undecided while 2 (2 percent) disagreed and 2 (2 percent) strongly disagreed to the statement "The availability of cash at the ATM has helped increase the ease of doing business". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

From the table, it was revealed that 45 (46 percent) strongly agreed, 48 (50 percent) agreed, 3 (3 percent) were undecided while 1 (1 percent) disagreed and 0 (0 percent) strongly disagreed to the statement "Adequate security personnel at the ATM increase customer confidence in making withdrawals for payment of services". From the data, it can be deduced that majority of the respondents were in support of the statement.

The table also showed that 48 (50 percent) strongly agreed, 38 (40 percent) agreed, 5 (5 percent) were undecided while 3 (2 percent) disagreed and 2 (2 percent) strongly disagreed to the statement "Cashless transactions consume less time". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

TABLE 4.5: Responses from respondents from statement 18 to 20

S/N	Statements	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Total
18.	There are increased sales due to the partial adoption of cashless policy	43 (45%)	37 (39%)	12 (12%)	2 (2%)	2 (2%)	96 100
19.	The customer base has increased due to availability of cashless payment option at your enterprises	47 (49%)	38 (40%)	9 (9%)	2 (2%)	0 (0%)	96 100
20.	Cashless payment option in your enterprises has led to increase in market share	49 (51%)	41 (43%)	3 (3%)	2 (2%)	1 (1%)	96 100

Source: Researcher's Fieldwork, 2023

From the table, it was revealed that 43 (45 percent) strongly agreed, 37 (39 percent) agreed, 12 (12 percent) were undecided while 2 (2 percent) disagreed and 2 (2 percent) strongly disagreed to the statement "There are increased sales due to the partial adoption of cashless policy". From the data, it can be deduced that majority of the respondents were affirmative to the statement.

The table also showed that 47 (49 percent) strongly agreed, 38 (40 percent) agreed, 9 (9 percent) were undecided while 2 (2 percent) disagreed and 0 (0 percent) strongly disagreed to the statement "The customer base has increased due to availability of cashless payment option at your enterprises". It was revealed from the analysis that majority of the respondents were affirmative to the statement.

From the table, it was revealed that 49 (51 percent) strongly agreed, 41 (43%) agreed, 3 (3 percent) were undecided while 2 (2 percent) disagreed and 1 (1 percent) strongly disagreed to the statement "Cashless payment option in your enterprises has led to increase in market share". From the data, it can be deduced that majority

12. Test of hypotheses

Table 4.6 Multi Co-linearity Test

	Co-linearity statistics	
	Tolerance	Variance inflation factor (VIF)

(Constant)		
Automated Teller Machine (ATM) transactions	0.476	2.100
Internet banking transactions	0.476	2.100
Point of Sale (POS) transactions	0.476	2.100

Source: Researcher's Computation, 2023

Multi co-linearity is a state of very high inter-correlation or inter-association among the independent variables. It is therefore a type of disturbance in the data and if present in the data the statistical inference may not be reliable. It may be such that the individual outcome of the statistics is not significant while the overall outcome is significant. Cuthbert Daniel was the first to suggest the Multico-linearity test in 1963 (Ron, 20211). If the value of tolerance is less than 0.2 or 0.1 and at the same time the value of VIF is 10 and above, then one can conclude that there is Multi co-linearity. However, since tolerances were both greater than 0.2 and the VIFs both less than 10, we can conclude that the data had no issue of multi co-linearity. Consequently, we can continue with the analysis without any adjustments.

Table 4.7 Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.646[a]	.417	.400	.55628	1.436
a. Predictors: (Constant), AT, IT, PT Dependent variable: SP					

Source: Researcher's Computation, 2023

The adjusted R^2 (coefficient of multiple determination) shows that 0.400 (40%) of variations in performance account for variations in Automated Teller Machine (ATM) transactions (AT), internet banking transactions (IT) and Point of Sale (POS) transactions (PT). The other 60% of the variations in performance is explained by other variables not mentioned in the study. The Durbin Statistics is used to detect the autocorrelation in the residuals from a regression analysis. This is the degree of correlation between the values of the variables across different data sets. Since the Durbin Watson statistics of 1.436 was less than 2, we conclude that there was no autocorrelation.

Table 4.8 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.839	2	7.419	23.977	.000[b]
	Residual	20.733	67	.309		
	Total	35.572	69			
a. Dependent Variable: SP						
b. Predictors: (Constant), AT, IT, PT						

Source: Researcher's Computation, 2023

Given that P-value of 0.000 which is less than 0.05, we conclude that cashless policy has a significant effect on the performance of the selected small-scale businesses at 5% level of significance.

Table 4.9 Regression Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.249	.0473		0.525	.005
	Automated Teller Machine (ATM) transactions	.469	.142	.412	3.012	.001
	Internet banking transactions	.450	.148	.411	3.040	.003
	Point of Sale (POS) transactions	.353	.169	.283	2.093	.004
a. Dependent Variable: Small scale business performance						

Source: Researcher's Computation, 2023

Based on the outcome of the regression analysis, the model formulated in the previous chapter is substituted to become:

$SP_{It} = 0.249 + 0.469AT_{It} + 0.450IT_{It} + 353PT_{It} + \mu$ ………………… (2)

From the result above, $\beta_0 = 0.249$ represented the constant which predicted value of performance while Automated Teller Machine (ATM) transactions, Internet banking transactions, Point of Sale (POS) transactions of the selected small-scale businesses were held constant at zero (0).

12.1 Test of hypothesis one

H$_0$: An automated Teller Machine (ATM) transaction does not have a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

H$_1$: Automated Teller Machine (ATM) transactions have a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

The regression results revealed that Automated Teller Machine (ATM) transactions had a significant and positive effect on the performance as indicated by $\beta_1 = 0.469$, p=0.001, t=3.012. Based on this result, we reject the null hypothesis and accept the alternative hypothesis which that Automated Teller Machine (ATM) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

12.2 Test of hypothesis two

H$_0$: Internet banking transactions does not have a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district

H$_1$: Internet banking transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district

The regression results further revealed that Internet banking transactions had a significant effect on the performance as indicated by $\beta_1 = 0.450$, p=0.003, t=3.040. Based on this result, we reject the null hypothesis and accept the alternative hypothesis which that Internet banking transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

12.3 Test of hypothesis three

H$_0$: Point of Sale (POS) transactions does not have a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district

H$_1$: Point of Sale (POS) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district

The regression results further revealed that Point of Sale (POS) transactions had a significant effect on performance as indicated by $\beta_1 = 0.353$, p=0.004, t=2.093. Based on this result, we reject the null hypothesis and accept the alternative hypothesis which that Point of Sale (POS) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

13. Discussions of findings

The study found out that Automated Teller Machine (ATM) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district. This finding affirms the findings of Humphrey (2017) who examined the Influence of Cashless Policy on Small Scale Businesses in Ogoni Land of Rivers State, Nigeria. The purpose of this study is to examine the impact of cashless policy on small scale businesses. The study approved out in Ogoni of Rivers state, using the purposive sampling technique, 250 owners and operators of small-scale businesses were selected and achieved questionnaire. The data collected were coded and analyzed using frequency table and percentage, while regression analysis was used to test the framed hypotheses using SPSS (Statistical Package for Social Sciences). The results specify that: small scale businesses in Ogoni land are predominately involved by sole proprietorship with meager income with a significant statistics of them having a very poor banking habit; it was also initiate out that small scale businesses statistically do not trust on heavy capital outlay; couple with the fact that provision of services is their main business action makes bank transaction, ATMs procedure and online banking of less or no significance since their operation is grossly hinged on "cash and carry basis"; the findings from the study also propose that operators of small scale business have zero tolerance to ICT practice in both the operations and transactions of their businesses; and this establish a major challenge to the adoption of cashless policy in the study area and usually, there was a negative significant effect of the introduction of cashless policy on the processes and growth of small scale businesses in Ogoni land. Based on the findings some recommendations among others made are: the need for government to harness efforts which should be directed at enlightening the activities of small-scale businesses through concerted policies, regulations and actions that will encourage and empower small scale businesses monetarily thus making the sector lively and productively ready to withstand a cashless economy.

The study revealed that Internet banking transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district. This finding supports the findings of Obiekwe and Anyanwaokoro (2017) who investigated the effect of Electronic Payment Methods(EPM) on the profitability of commercial banks in Nigeria. In order to achieve the broad objective, thestudy specifically investigated the effect of Automated Teller Machine (ATM), Point of Sale (POS) and Mobile Payment (MPAY) on the profitability of commercial banks in Nigeria. A total sample of five (5)banks was considered for the period 2009 to 2015 and the study adopted the Panel Least Squares (PLS)estimation technique as the analytical tool. Data were collected from the Central Bank of Nigeria (CBN). Findings revealed that Automated Teller Machine (ATM) and Mobile Phone payment have a significant effect on the profitability of commercial banks in Nigeria. However, Point of Sale (POS) has an insignificant effect on commercial banks' profitability in Nigeria.

It was found that Point of Sale (POS) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district. This finding corroborates the findings of Njenga and Shale (2017) who examined the role of electronic point of sale on supply chain performance in the retail sector in Kenya among selected supermarket chains in Nairobi County. This research adopted a purposive sampling technique in selecting the sample. Pearson's correlations coefficients were run to examine the relationship among the independent and the dependent study variables that were set out in the objectives of the study. The review discoveries demonstrated that progress in Supply Chain Performance at retail division can be explained by four factors in particular rapid scan systems, cloud-based communication systems, mobile point of sale and EFTPOS. Effects of rapid scan systems, cloud-based communication systems, mobile point of sale and EFTPOS were found to be statistically significant with a positive effect on supply chain performance. The study recommends that it is important that Supermarkets constantly look at ways to improve customer experience through the use of EPOS.

14. Summary of findings

The major findings of this study were;

i. The study found out that Automated Teller Machine (ATM) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

ii. The study revealed that Internet banking transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

iii. It was found that Point of Sale (POS) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

15. Conclusion

The main objective of this study was to examine the effect of cashless policy on the performance of small-scale enterprises in Nigeria: a study of selected small-scale businesses in Cross River Northern Senatorial district. The study found out that Automated Teller Machine (ATM) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district. The study also revealed that Internet banking transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district. It was also found that Point of Sale (POS) transactions has a significant effect on the performance of small-scale businesses in Cross River Northern Senatorial district.

16. Recommendations

Based on the findings of the study, it was recommended that;

i. Banks should ensure that their ATM machines are always loaded with cash as this will enhance smooth operation of SMEs.

ii. SMEs should encourage their customers to adopt internet banking as it will eliminate challenges such as arm robbery.

iii. SMEs should ensure that their POS machines are functional and always available for usage by customers.

iv. Banks should pay more attention on the activities that will improve the ATM services of their banks as this will lead to high customer's satisfaction and patronage thereby increasing the performance of small-scale businesses

v. There is need for massive sensitization, awareness campaign and enlightenment of people on the need for and importance of cashless economy. Again, while the authorities strive to consolidate the gains of the cashless system, there is an urgent need to tackle the challenges confronting the full actualization of this policy.

References

Abubakar, A. (2017). The effects of electronic payment channels on growth of deposit base of Nigeria deposit money banks. *International Journal of Research in Computer Application and Management, 4(*12), 77-81.

Abubakar, A. A., & Tasmin, R. (2012). The impact of electronic banking on customer service delivery in the Malaysian banking industry: Using Sand Cone Model. *Research Journal of Science and IT Management, 1*(11), 11 - 22.

Adewale, A. (2012). Evaluating the system transition to a cashless economy in Nigeria. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract _ id =2050657

Aiden, J. (2013). Problems and prospects of establishing small scale enterprises in Nigeria. (An Unpublished Undergraduate Thesis). Caritas University, Amorji-Nike Enugu, Nigeria.

Ajayi, L. B. (2014). Effect of cashless monetary policy on Nigerian banking industry: Issues, prospects and challenges. *International Journal of Business Finance and Management Research,* 29-41.

Akintaro, S. (2012). Going Cashless. IT and Telecom digest, Online Magazine of August, 2012

Alagh, J.I. &Ene, E.E. (2014). Impact of cashless banking on banks' profitability (Evidence from Nigeria). *Asian Journal of Finance & Accounting,* 6(2), 362-376.

Alao, A. P. (2019). Definition of customer satisfaction, academy of marketing science review. *Journal of Economics and Sustainable Development, 3*(14), 67-73.

Ali, P. I., & Emenike, K. O. (2016). Impact of automated teller machine on banking services delivery in Nigeria: A

stakeholder analysis. *Cad. Ed. Tec. Soc., Inhumas, 9*,(1), 64-72.

Atanda, A. A., & Alimi, O. Y. (2018). Anatomy of cashless banking in Nigeria. Centre for Management, Development & Policy Modelling (CMDPM), 1-20.

CBN, (2011). Towards a Cashless Nigeria: Tools & Strategies. *Nigerian Journal of Economy,* 3(2): 344 – 350.

Charles, A., & Babatunde, H. (2012). An evaluation of the challenges and prospects of micro and small-scale enterprises development in Nigeria. *American International Journal of Contemporary Research, 2*(4), 174–185.

Chibueze, Z., Maxwell, O., &Osondu, M. (2013). Electronic banking and bank performance in Nigeria. *West African Journal of Industrial & Academic Research, 6*(1), 171–187.

Davis, F. (1989). 'Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology'. *MIS Quaterly, 13*(3), 319-340.

Ejoh, N. O., Adebisi, A. W. &Okpa, I. B. (2017). Information and communication technology- an indispensable tool for the implementation of cash-less policy in Nigeria. *International Journal of Economics, Commerce and Management, 11(10),* 1-18.

Fenuga, O. J., & Oladejo, R. K. (2010). The effect of electronic payment on customer service delivery in Nigerian banks. *International Journal of Economic Development Research and Investment, 1(1),* 227 - 239.

Hazlina, T. et al (2011). Impacts of Service Quality on Customer Satisfaction: study of Online Banking ATM Services in Malaysia. *International Journal of Trade, Economics and Finance, 2(1)*: 23.

Humphrey, D. B. (2017). Replacement of cash by cards in U.S. consumer payments, *Journal of Economics and Business, 8(56),* 211–225.

Jamiya, N. (2010). Managerial competencies, access to credit and business success. (An Unpublished Master's Thesis). Makerere University, Kampala, Uganda.

Julius, O. (2011). Management competencies, attitude towards accessing finance and

performance of SMEs: A Case of Selected SMEs in Masindi and Hoima District.(An Unpublished Master's Thesis). Makerere University, Kampala, Uganda.

Kannabira, G., & Narayan, H. (2015). Deploying Internet Banking and E-Commerce: A Case Study of a Private Sector Bank in India. *Information Technology for Development 11(4),* 363-379.

Lamikanra, B. (2019). Managing the transition to a cashless economy in Nigeria: The challenges and strategies. *Journal of Accounting and Management,15(2),* 20-31.

Makee, K., & Willy, M. (2014). Effect of mobile phone transfer services on performance of Micro and small Enterprises. *International Journal of Academic Research in Bussiness& Social Sciences, 4 (*11).

Muhammed Y. (2016). The effect of entrpreneurial characteristics on the performance of small and medium enterprises in Kaduna State. (Unpublished Master Thesis).Ahmadu Bello University, Zaria, Nigeria.

Muotolu, P.C., &Nwadialor, E.O. (2019). Cashless Policy and Financial Performance of Deposit Money Banks in Nigeria. *International Journal of Trend in Scientific Research and Development, 3(4),* 465-476.

Njenga, S.& Shale N. I. (2017). Role of electronic point of sale on supply chain performance in retail sector in Kenya among selected supermarket chains in Nairobi County. *European Journal of Logistics, Purchasing And Supply Chine Management 5,(2),* 19-55.

Nweke, F. (2019). The vision of cash-less economy. Delivered at the J-K Gadzama& Partners LLP 2019 Annual Public Lecture.

Obiekwe C.J. &Anyanwaokoro M. (2017). Electronic payment methods and profitability of banking firms in Nigeria: A panel data analysis. *International Journal of Finance and Accounting, 6(3),* 67-74.

Okechukwu, N. (2011). Current Challenges will not stop cashless economy

implementation. Retrieved online at http://www.archive.punchontheweb.com on the 12th of April, 2023.

Okoye, P.V.C &Ezejiofor, R. (2017), "An Appraisal of Cashless Economy Policy in Development of Nigerian Economy". *Research Journal of Finance and Accounting, 4(7)*, 237-252.

Okoye, P.V.C. &Ezejiofor R. (2017). An appraisal of cashless economy policy in development of Nigerian economy. *Research Journal of Finance and Accounting, 4(7).*

Ovat, O. O. (2017). The Central Bank of Nigeria's Cashless Policy in Nigeria: Benefits and Challenges. *Journal of Economics and Sustainable Development, 3(14),* 128-133.

Roger, E. M. (1962). *Diffusion of Innovation* (4th ed.), New York: The Free Press.

Simon, V. T. & Thomas, A. S. R. (2016). Effect of electronic banking on customer satisfaction in selected commercial banks, Kenya. *International Academic Journal of Human Resource and Business Administration, 2 (2),* 41-63.

Siyanbola, T. T. (2018). The effect of cashless banking on Nigerian economy, Babcock University, ilishan Remo, Ogun State, Nigeria. *Journal of Accounting Management 2(9)*, 12-19.

Smedan. (2012). Survey report on micro, small and medium enterprises (MSMEs) in Nigeria. National Bureau of Statistics. Nigeria.

Taiwo, J.N. Ayo, K. O., Afieroho E. O. & Agwu, M. E. (2017) Appraisal of cashless policy on the Nigerian financial system. *West African Journal of Industrial & Academic Research, 16(1).*

Umanhonlen, Umanhonlen, & Omoruyi (2015). Appraisal of the Impact of e-banking and cashless society in the Nigerian economy. *Management and Economics Research Journal, 1(3),* 34–45

Woodford, M. (2013). Interest and Price: Foundation of a Theory of Monetary Policy, Princeton University Press. Retrieved online at http//www.colyflavourmegzine.com/? on 12th April, 2023.