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CASHLESS POLICY AND GROWTH OF POINT-OF-SALE BUSINESSES IN DUTSIN-MA, KATSINA STATE

***JOHN OGBU ORINYA PhD; & **AHMAD MUHAMMAD JARMAJO**

*Dept of Bus. Management, Faculty of Mgt Sciences, Federal University Dutsin-Ma, Katsina State. **Business Education Dept., Aminu Saleh COE, Azare, Bauchi State
Corresponding Author: ojohn@fudtsinmaedu.ng
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Abstract

The study aimed to find out the effect of cashless policy and growth of point of sales business in Dutsina-Ma, Katsina State. The study adopts a descriptive survey approach to collect relevant data. The study adopts multiple regression analysis to assess the growth of point of sales business. This research finding corroborates the policy objectives to encourage electronic transfers, internet banking services, credit card adoptions among the populace to ease numerous hassles associated with high volume of cash circulation in the economy. The study is confident that cashless policy and its component measures have positive and significant effect on the growth of point of sales business. The federal through it apes agency, the Central Bank of Nigeria should continue to drive the cashless policy measures as a veritable sustainable business opportunity that is not only capable of enhanced profitability, but also a means of cost savings. The results shows that the cashless policy has contributed significantly to the increase and spread of point of sales as an alternate payment platform for financial transactions.

Key Words: Cashless, Mobile wallets, Point-of-sales, Internet banking, Withdrawal limit

Introduction

The manner of financial payments across the world has changed in parallel with the technology sophistication and product innovations. Credit and debit cards have become widespread and started squeezing out cash, whereas the emergence of contactless technologies has further enhanced the use of these payment options. There

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have been a growing number of products, services, utilities, and statutory obligations that are paid for without cash, such as various applications, bus fares, airline tickets, internet stores, and the like. Smart phones also revolutionized payments. Banks have been reducing the number of their branches and employees and started encouraging cashless payments. This has led to changes in numerous other areas such as education, innovations, change in consumer habits, commerce demand for new products and services, but also in product life cycles (Tomljanović & Grubišić, 2016). All these changes, according to Jakšić and Jakšić (2018), have some important implications: first is sustainability, measured as durability, and the second is inclusiveness, measured as pro-poor growth.

One of the prerequisites for the development of national economy, according to Ajayi and Ojo (2006) is to encourage a payment system that is convenient, secured and affordable. In recent times, the mobile phone is increasingly used to purchase digital content, such as ring tone, music, games, applications, tickets, parking fees and transport fees, or by just by flashing the mobile phone in front of the scanner at point of sales (POS). In Nigeria, as it has been in many developing countries, cash is the main mode of payment and a large percentage of the populations are un-banked (Ajayi & Ojo, 2006). With the introduction of the cashless policy in Nigeria, people queue for long hours at the automatic teller machines (ATMs) and could only withdraw a specified sum per day. This fuels anger from individuals, some of whom have vandalized bank property or stripped to their underwear in rage in banking halls during working hours, according to videos shared on social media. In an effort to compel people to embrace the cashless economy, the Federal Government, through the CBN introduced the Naira redesign and directed the public to deposit old notes of 200,500 and 1,000 in the banks. A limited supply of redesigned notes was available for cash transaction purposes. This strategic attempt seems ill-advised and ineffectively implemented as a wave of disruptive behaviours ensued across bank facilities in the country. The Naira redesign strategy would have facilitated enactment of a cashless economy, but the reality on the ground says we are not yet ready for the transition. There are lamentations from all corners, many Nigerians who should have supported the cashless policy and the redesign of the naira are outraged by the unreliability and ineffectiveness of the various electronic and digital banking channels. This period would have been a major driver for the cashless policy, but for the pressures on the banking infrastructure, which has exposed the lack of investment in technological infrastructure by banks for digital payments and electronics banking.

The vision of a cashless society, while ambitious does hold the potential to bring about a range of benefits for the country and its people if implemented correctly. These transformations in the financial landscape have significant effects on the businesses and society. As the world become increasingly reliant on technology, the traditional way of

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doing business would no longer be effective and efficient; a cashless society offers a more convenient and secured alternative to physical cash. The benefits are numerous, from faster transactions to reduced cost and risks associated with physical currency such as theft and fraud. Being, a cashless society is not an entirely new concept, however, digital technology is now more achievable than ever and electronic fund transfers, mobile payment apps, and digital wallets are now part of everyday lives. Nigeria is no exception. With the cashless policy, the country is on a path to becoming a cashless or cash lite economy, and this presents an unprecedented opportunity for digital payment providers.

Statement of the Problem

Cashless policy is a financial function operated or performed without the use of coins or bank notes for transactions, but using credit cards or electronic transfer of funds. With cashless policy, financial transactions are handled by means of credit cards, e-banking, and checks, with no physical cash involvement from one person to another. Through the help of the cashless policy, financial transactions could be initiated and completed without cash. A cashless economy is an environment in which money is spent or received through designated Channel without being physically carried from one person to the other. The first issue in the cashless economy is the issue of electronic purse. This is electronic financial information transmitted to a device which reveals the information about how much a person has in an account with the bank and how much he can spend. Although cashless policy has its positive impacts to the society and the nation at large, but there are certain to problems or challenges associated with the policy and its implementation.

The fall in the prices of goods and services in the wake of the naira redesign forced the people in Dutsin-ma community, as applicable in other communities of the nation, to sell out their products at reduced prices in order to avoid wastage. Cashless policy could often be affected by the physical challenges such as high rate of illiteracy, inadequate sensitization and education on the benefits of cashless policy, and inadequate logistics (such as the provision of Internet connection in commercial areas, computers and point of sales (POS) machines. Apart from the physical challenges, economic data and indicators useful in the analysis of the true impact of cashless policy on the economy are not fully available and reliable.

The future of cash has become a persisting debate amongst economists, social researchers, policy analysts and civil societies. For the common man, the issue of whether it's a physical cash or surrogate is no bother; since there is access to a variety of forms of payments, there's no conflict (Mercadante, 2018). Although cash is still something that is use every day especially rural settings. younger generations tend to see cash as becoming more and more obsolete. Today`s money is based on a set of mutual beliefs. This means

that money has value only because the society has assigned it certain value. Some are of the opinion that money is the most important abstraction human beings have ever devised (Zorpete, 2018; Pete, 2018). In a down-to-earth form, a cashless economy is to be understood in the sense of a move towards, and the implications of, a society where cash is replaced by its digital equivalent - legal tender (money) exists, is recorded, and is exchanged only in electronic digital form.

Hitherto there has been a growing trend in cashless transactions, as well as products and services sold exclusively in this way. After the onset of the global financial crisis, private crypto currencies appeared that have raised some concerns. All these changes beg the question of whether modern societies are moving towards a cashless society. They also raise a number of other dilemmas such as whether cashless societies have negative implications for businesses, whether they have what should be the response of economic policymakers, who would be potential winners and losers, and the like. The cashless policy is particularly problematic for the very poor people, many of whom don't have access to banking system, by implication this segment of society becomes dependent on government handouts, and vulnerable to financial fraudsters. This presents allot of hassles of handling millions of very small cash transaction and related customers queries.

In attempt resolve the issues highlighted above, the following hypotheses are formulated for this study:

HO1: The growth of point of sales business in Dutsin-ma has not been significantly affected by the CBN cashless policy.

HO2: The cash withdrawal limit has not contributed significantly to the growth of point of sales business in Dutsin-ma.

HO3: There are no significant implications of the mobile wallet for the growth of point of sales business in Dutsin-ma.

HO4: Internet banking does not have any significant effect on the growth of point of sales business in Dutsin-ma.

The research is about the effect of cashless policy on the growth of point of sales (POS) business. This study will be therefore focus on POS business owners operating in Dutsin-ma metropolis. The study will seek to know their motivations to go into the business and the point in time they started the business. They should be able to disclose how the businesses have grown over the period. Along with this, the questionnaire survey will enhance the assessment of how the cashless policy affect POS growth.

This study contributes to understanding the challenges faced with cashless policy and it's adoption by Nigerians. The information provided by this study could be of use in providing empirical evidence on the impact of cashless policy and growth of point of sales (POS) business. Such information will enhance further studies that may be carried out to more

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clearly explicate the implications of a macro/micro economic reform such as the cashless policy.

Literature Review

The concepts, theoretical framework and related studies are explored here to establish the connections among variables of the study - cashless policy (independent variable) and growth of point of sales business (dependent variable).

Conceptual review

Point of Sales Business*:* Point of Sales Business is a channel where customers carry out payment for goods, services and settlement of debts or other related transactions. A Point of Sale also refers to a location or device where a customer can make a payment using their debit or credit card. It is typically a physical terminal, often found in stores or businesses, where the customer's card is swiped, inserted, or tapped, and the transaction is processed electronically.

Cashless Policy: Cashless Policy is an economic policy where by the majority of transactions in the economy are not conducted with physical cash in form of bank notes or coins. Rather, the majority of transactions are affected by way of electronic transfers, internet banking services, credit card etc. The government and other institutions guide the behaviours and the conduct of activities that are carried out within the domain of authority. In the growth of Global economy, digital currency has a key role for transaction of money for businessmen, consumers and governments around the world. According to (Humphrey et.at., 1996). The eradication of cash and the emergence of a cashless society pose a lot of benefits for the point of sale (POS) business.

Withdrawal Limit: Withdrawal limit refers to the maximum amount of money that can be withdrawn from a bank account within a specific period. This limit helps to ensure the security of funds and prevent unauthorized withdrawals. In the context of the cashless policy in Nigeria, there specific limits set by the Central Bank of Nigeria on the amount of cash that can be withdrawn from bank accounts on a daily basis.

Internet Banking: Internet banking, also known as online banking or e-banking, is a service provided by banks that allows customers to carry out various banking transactions over the internet.

Mobile wallet: A mobile wallet is a digital application that allows users to store, manage, and make payments using their smartphones. It essentially acts as a virtual version of a physical wallet, where users can securely store payment information such as credit cards, debit cards, and even loyalty cards. Mobile wallets often utilize various technologies like Near Field Communication (NFC) or Quick Response (QR) codes to facilitate contactless

payments at supported merchants. They provide a convenient and secure way to make transactions without the need for physical cash or cards.

Cash or No Cash: An Overview of the Debate

On either side of the divide, there are arguments that support that economies move towards a cashless society and those that argue against such movement. The prognostics for a cashless economic justify their premises on decline in crime and money laundry, convenient payment platforms, reduced shadow economy, increasing advances in ICT as strategic leverages, lower transaction costs, and personal safety. On the other hand, the antagonists posit that a cashless society is not pro-poor as the elderly and uneducated are made more vulnerable, there is general high level of financial and information technology illiteracy among global populace, increased propensity for cybercrimes, intrusion on privacy, destruction of tradition and heightened IT risks. Studies by Achord et al. (2017) and Mercadante (2018) provide comprehensive details of these arguments; however, the high points are presented in the following paragraphs.

First, the elimination of cash may seriously impair criminal activity, especially those connected with drugs and money laundering. These activities can be hardly carried out without cash. Also, cash cannot be tracked, which is very beneficial for criminals. Transitioning to cashless society will also make counterfeiting of money virtually impossible. Cashless transactions potentially reduce a variety of crimes, such as burglaries, pilferage and robberies (Achord et al., 2017). It also expand payment options, for example credit and debit cards, bank transfers, direct deposits, and online payments. The survey from FED showed that total noncash payments increased at an annual rate of 5.3 percent from 2012 to 2015 (Mercadante, 2018).

Going cashless decreases shadow economy, which results in increased public revenues, with the final outcome being the strengthening of fiscal stability. A cashless economy is an informed way of embracing emerging development of IT technology, with smart phones and electronic application supporting e-payment. Digital society development has brought about an increase in digital payments. Mobile phones are increasingly becoming a type of digital wallets, and there are more and more applications and digital services that can be paid only electronically. Notwithstanding, the issue of personal safety should not be ignored either. Individuals who have substantial amounts of cash on them or in their homes can become victims of robbery which could lead not only to material loss but also to jeopardized personal safety.

Many economic agents stand to benefit from a cashless economy as certain operational overheads are eliminated. The cost saving argument, otherwise tagged the elimination of cash would enable banks, credit unions, and other financial institutions to reduce staff. It will also decrease the costs associated with handling with money. Costs of handling cash

in EU were estimated at 0.45% of GDP (Achord et al., 2017). This is a strong argument in favour of gradual withdrawal of cash. A large number of banks encourage e-banking, which has resulted in reduced number of bank branches, employees, and shortened working hours. It is, therefore, certain that financial institutions will be significant lobbyists for transition to a cashless society. It is also certain that certain elements of society may argue against transition to a cashless economy, like criminals, individuals involved in shadow economy, and similar miscreants. In addition, money printing, minting, transportation, storage, etc. can incur significant costs. However, that should not lead to misguided conclusion that digital money does not incur any expenses because it also raises the question of security and protection, settlement time, and associated costs and fees.

Noting that a cashless society is inevitable, there are a few significant reasons why that may not be the case. One, poor and elderly population still remain disproportionately dependent on cash. Their knowledge of the use of digital money is limited and the question is how the majority of them would manage in a cashless society. Also, there is a significant part of the population in all countries that do not have access to bank accounts, mostly poor individuals and marginalized groups. Then a certain part of population does not have access to the Internet and are not IT literate. The data from the USA showed that 11% of the population do not use the Internet (Mercadante, 2018). However, the opposite effect in terms of financial inclusion should not be excluded.

Low level of financial literacy can prevent some part of population from using cashless means of payment. With the emergence and development of the Internet, the globalization of economic business and, in particular, electronic payments, finances have become different from what they once were. A large number of studies have shown that the level of financial literacy is very low, and it is especially worrying that this is the case with the youngest and oldest members of our society. Also, the empirical link between financial education and poverty has been confirmed. Therefore, a priority action need be the developed for national financial orientation programmes as pointed out by Fabris and Lubick (2016).

Another problem could be cybercrime. One study identified that this is a growing crime and the size of this problem is affirmed by the Anti-Phishing Working group indicating that of 14,000 phishing websites, no less than 86% of them are falsely represented as financial institutions (Fabris and Lubick, 2014). Cybercriminals show a high degree of inventiveness and every year they "promote" new techniques and tactics designed to deceive potential victims. The biggest mistake is made by individuals who expect banks to protect them from these types of fraud, and while some banks have really high levels of protection and react immediately, there are those with poor protection systems.

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IT risk is present pervading challenge in modern societies. If we fully transit to a digital society and our IT systems fail, what shall we do then? An outage of visa services in June - caused by a system failure - gave a small taste of the risk. Customers across the EU were left unable to pay for goods and services. The only people who could eat were those with cash (Carolus and Caniglia, 2018). Also, the recent hurricanes in the USA led to power outages in a great number of areas and electronic money was virtually useless. What if there is a failure of the platform through which cashless transactions are performed or if it were to be infected by virus? One should not neglect the risks of cell phone loss or data hacking. These are all issues that have to be addressed before considering a transition to a cashless society.

Theoretical Framework

The study was anchored on the diffusion of innovations theory (DOI). This theory explains how people make decisions and adopt new, inventive ideas in the society. The theory provides an understanding of how new ideas, processes and products diffuse and spread within and across societies, economies, nations and organisations. The cashless policy and point-of-sales businesses are new ideas and products developed in other parts of the globe, but now being adopted and spreading in Nigeria. The Roger's diffusion of innovation theory, therefore, is primarily applicable to this study as it focusses on how the government's effort to promote a cashless society is contributing to the growth of point of sales businesses in Nigeria, with particular emphasis on Dutsin-Ma, Katsina State.

The theory posits that in order to achieve development and sustainability, innovations should be widely adopted; wherever the idea was used in practice, the culture's capacity for adaptation was very important. Rogers outlined four components for the diffusion of innovations. They are as follows:

1. Innovations: innovations are things that people perceive as novel, such as ideas, practices, or products. It could also be a drive to try something new or effect societal change.
2. Communication channel: The diffusion process involves channels of communication such as interpersonal and mainstream media. The communication channels are used to transfer messages from one person to another. Communication is the primary means by which innovations spread among individuals. It can come in many different forms, such as word-of-mouth, SMS, various literary forms, etc.
3. Time: This term describes how long it takes for a society's citizens to accept new developments. It is the amount of time people need to adjust to new concepts. For instance, think of how long it took for consumers to adopt mobile phones once they were first brought to the market.

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4. Social System: The term "social system" refers to all the different elements that make up society, including religion, institutions, and social groups. In order words, social system is a network of interconnected individuals working together to solve problems and achieve a common objective.

Empirical Review

The Central Bank of Nigeria (CBN) in a bid to reduce inflation and stabilize the country's economy, introduced cashless policy in 2012. The move became more pronounced following the recent efforts to redesign the country's 200, 500 and 1,000-naira local currency denominations, which resulted in high scarcity of money in circulation. Since then, the initiative has remained a contentious issue.

A study by Agu and Agu (2020) examined the impact of cashless policy on economic growth in Nigeria, over the period of 9years (2010-2018). It employed quarterly time series data using ordinary least squares (OLS) technique. The data was sourced from World Bank Development indicator and Central Bank of Nigeria (CBN) Statistical Bulletin, Annual Report and Statement of Account for the year 2019. The researchers subjected the data to Unit Root, Cointegration and granger causality tests. Findings from the study revealed that Cashless Policy has been a veritable tool in influencing economic performance, especially as it relates to Automated Teller Machine (ATM) transactions and Point of Sale (POS) payment patterns.

The work of Datta & Roy (2022) identified fraud prevention strategies by implementing a cashless policy. This research was conducted systematically through an article search engine using the keywords "Cashless" and "Fraud," which was then entered into the Scopus journal search engine based on secondary data in the publish or perish application 8. Then, journals and articles were selected based on the title theme and looked at the quality of the article. The result of this study is that local government payment system innovations have led to changes in payment options by switching to non-cash transactions that are safer, more effective, and efficient. Cashless payments can prevent corrupt practices such as money laundering, bribery, and commissions for services or procurement. People will use non-cash transactions if the local government forces non-cash payments in urban and rural areas with the support of the internet and promising technology.

With increasing global financial market sophistication, there has been drastic improvements in the speed of financial transactions. Prašćević (2013) stated that these trends lead to a better allocation of capital, reduction of costs, and other numerous positive effects, but also to easier crisis spillover and changes in economic policy pursuit that relies more on discretion than rules. These mixed implications of evolving financial innovation moved Fabris (2019) to examine the pros and cons of a cashless economy. The

study analysed the arguments both in favour and against cashless society, the future of crypto currencies, as well as potential responses of economic policymakers to the emergence of a cashless society. The paper concludes with the observation that it is not reasonable to expect the transition to a cashless society in the near future but the next step in the evolution of money might be the appearance of central bank digital currencies, at least in some countries

The study of Nwakpa (2023) appraised the level of success, impacts, challenges and prospects of the policy as reported in select Nigerian national daily newspapers. Findings show that absence of appropriate legal/regulatory framework for e-payment; poor epileptic electric supply, illiteracy, lack of financial infrastructure; risk of identity theft and poor service from network providers were among the factors that hamper the success of the cashless policy in Nigeria. The paper holds that cashless society provides safer and more practical alternative means of transacting businesses than over reliance on physical cash, and that the initiative can improve on Nigeria's economy only when well implemented, and calls on the government, financial institutions, network providers, academic institutions and other key stakeholders to work in synergy for a successful cashless economy to be achieved in Nigeria

Olusegun, et al. (-------) tested the attributes of DOI empirically, using social networking sites (SNS) as the target innovation. The study was conducted among students of the University of Agriculture, Abeokuta in Nigeria. Principal Factor Analysis and Multiple Regression were used. The study concluded that the attitude of university students towards SNS does positively affect the intention to use the technology. The cashless policy and the growth of point-of-sale (POS) systems have brought about significant changes to the way we handle transactions. This has led to increased convenience for customers, reduced dependence on cash, and improved tracking of transactions for businesses. These advancements have made electronic payments more accessible. Echekoba and Ezu (2012) observed that 68.2% of the respondent complained about long queues in the bank, 28.9% complained of bad attitude of teller officers (cashiers) while 2.89% complained of long distance of bank locations to their home or work places. Therefore, if the introduction of ATM in Nigeria cash withdrawals system reduced OTC withdrawal; then it will imply that introduction of cashless policy supported by application of information technology can achieve more to reduce over dependent on cash payment in Nigeria economy system.

Akhalumeh (2011) observed some challenges with the introduction of cashless policy. Their findings shows that 34.0% of the respondents cited problem of internet fraud, 15.5% cited problem of limited POS/ATM, 19.6% cited problem of illiteracy and 30.9% stayed neutral - the respondent not been sure of problem been expected or experienced. These data verify the claim of Echekoba & Ezu (2012) on the problem of cash-based economy

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and cashless policy in Nigeria. For effective cashless implementation in Nigeria availability of sufficient and well-functioning infrastructure (notably electricity), harmonization of fiscal and monetary policy, regular assessment of the performance of cashless banking channels, consideration of the present state and structure of the economy, redesign of monetary policy framework and greater efforts towards economic growth whilst managing inflation should be considered (Odior & Banuso, 2012).

Conceptual model of the study

The relationships among the variables of this study are depicted in figure 2.

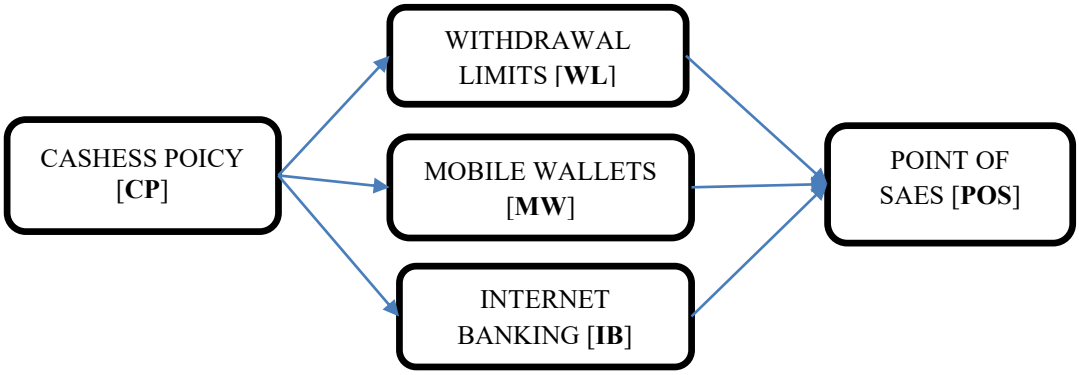


FIGURE 1: Conceptual model of the study

Sources: Researcher, 2025

The mode describes the theorical postulate that (1) Cashless policy, it consists of withdrawal limits, mobile wallets and internet banking;(2) Cashless policy has led to the evolvement and growth of points of sales businesses in Nigeria. The arrows therefore describe the theoretical postulate that cashless policy has encourage many business establishments or firms have adopted the POS payment platform or payment system. In addition, it's now used as a business on it own. Whereby financial services such as Account opening, deposit, withdrawal's, transfer's, subscription's, payment of utilities and account enquires are carried out.

METHODOLOGY

Research Design: Descriptive survey was adopted to achieve the purpose of the study. Descriptive survey in research is to produce an accurate representation of persons, events or situations (Saunders et al., 2007). The survey covered both commercial purposes and also those using POS to facilitate their business transactions.

Population of the Study: The population of the study comprises POS operators in Dutsin-ma Katsina State. As at end of June 2025, they were 146 POS for business facilitation and 113 commercial operators with an average of two POS, making a total of 372. It was

observed in the cause of the survey that many of these operators have more than one POS machine.

Sample Size and Sampling Technique: Sample is the sub-set or part of population from which information is collected. In this study, Yamane (1967) formula for sample size determination was adopted to arrive at a sample of 157 respondents. To provide for non-responses 10% (16) was add to obtain 173 as the sample size of this study.

Data collection: The data for the study will be collected through administration of questionnaire to the respondents. The questionnaire has two sections. Section 1 comprises of response profile while section 2 comprises of research data, copies of the questionnaire will be administered to the POS operators at Dutsinma Katsina State. The items were structured to enable respondent tick from required options. The five-point Likert scale was adopted.

Analytical Technique: To achieve the research objectives, the quantitative method of data analysis was employed, using multiple linear regression on SPSS. The regression model is described as follows:

$$Y = \beta_0 + \beta_1 CP + \beta_2 WL + \beta_3 MW + \beta_4 IB + \varepsilon$$

Where Y = Growth of point of sales; CP = Cashless policy; WL = Withdrawal limit; MW = Mobile wallet; IB = Internet banking; and e = Error term.

Scale Statistics

The variables of the study were tested for reliability using Cronbach alpha statistics on SPSS 23 to assess the internal consistency. Kumar (2005) explained that the greater the degree of consistency and stability in an instrument, the greater its reliability. Cronbach alphas equal to or greater than 0.60 are considered good (Bryman, 2004; Pallant, 2010; Diamantopoulos, Sarstedt, Fuchs, Kaiser, & Wilczynski, 2012). However, Hair, Hult, Ringle, and Sarstedt (2014) stated that values higher than 0.95 are not desirable.

Table 1: Reliability Statistics for measurement variables

Variable Name Lebel	Code	Cronbach's Alpha	No of Items
POS Growth	PG	.592	4
Cashless Policy	CP	.822	20

Source: SPSS Output, 2023

This assessment shows that the Cronbach values are satisfactory based on the bench mark of 0.60, which means the scales used to measure the variables are internally consistent. The measurement variables are therefore reliable and can be used to assess the hypothesized effect between cashless policy and growth of POS.

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Regression Assumptions

The values of a model depend on how accurately the independent variables predict and explain the dependent variable subject to the model assumptions. As pointed out by Pallant (2010), the omnibus test of a model is to get an overall indication of how well the model performs otherwise known as the goodness-of-fit test. Proof of the model quality is provided by the collinearity diagnostics, normality and linearity assessments.

Collinearity diagnostics:

All the independent variables in a good model must show some correlations, the respective tolerance and variance inflation factors (VIF) of the variable determine their suitability. A tolerance of at least 0.10 or a VIF < 10 is recommended (Pallant, 2010), while Hair et al. (2011) suggested a VIF lower than 5 (or tolerance higher than 0.2). The result is presented in the table below:

Table 2: Collinearity Statistics

		Tolerance	VIF
1	(Constant)		
	Cashless Policy	.793	1.261
	Mobile Wallet	.591	1.691
	Internet Banking	.706	1.417
	Withdrawal Limit	.658	1.520

Source: SPSS Output 2025

The output shows that the minimum tolerance of 0.591 for MW is above the prescribed minimum value of 0.10, and all the variables show VIF of less than 10. The research model has not violated the assumption that there is no multicollinearity between the variables.

Linearity and Normality of the Data Distribution

To assess the linearity and normality of the data, the probability plot of the standardized residual was examined. The evidence is presented in Figure 2 and Figure 3 below.

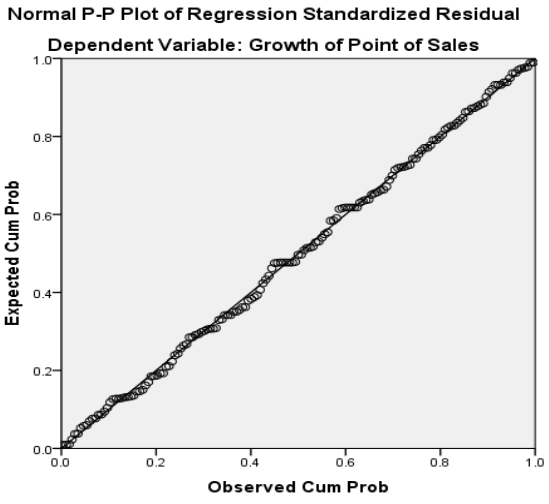


Figure 2: Normal P-Plot for Linearity of the Residuals

Source: SPSS Output, 2025

As reflected in the figure there is no deviation that would suggest lack of linearity. The residuals have a linear relationship with the dependent variable and are evenly distributed about the predicted DV values. The histogram and normal distribution curve buttressed the normality of the residual values. The distribution is bell shaped, with a mean of zero and even spread below and above the mean.

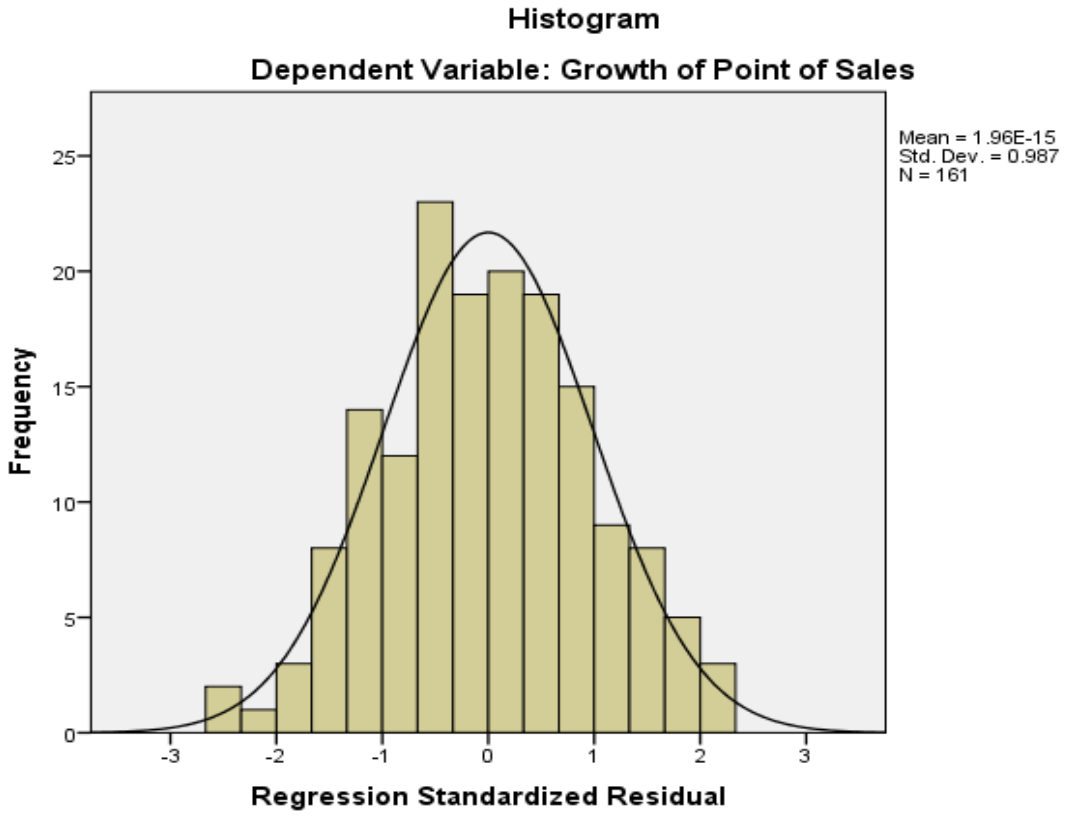


Figure 3: Normality of the Data
Source: SPSS 23 Output 2025

These results show that at any given combination of the independent variables, the population of potential error terms has a mean equal to zero. The residuals also display a normal probability distribution about the mean.

Results

The regression results provide information to test the research hypotheses. This is contained in the regression model summary, the analysis of variance (ANOVA) and the regression coefficients in Tables 3, 4 and 5, respectively. The model fit is determined by the multiple regression coefficient of determination, denoted as R^2, adjusted R^2 and R^2 change.

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Table 3: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics					
					R^2 Change	F Change	Df1	Df2	Sig F change	DW
1	.547	.299	.281	.64318	.299	16.608	4	156	000	1.870

Source: SPSS Output 2025

From the table, R^2, adjusted R^2 and R^2 change are 0.299,0.281, and 0.299 respectively. This means that the model is capable of accurately predicting 69% of variable. The overall quality of the model is determined by the F-change. The necessary information is in Table 4.

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.482	4	6.870	16.608	.000[b]
	Residual	64.535	156	.414		
	Total	92.017	160			

Source: SPSS Output 2025

As shown in Table 4, F=16.608 is greater than the critical value of 2.21 at 0.05 level of significant (sig. =0.000). The extent of the DV's effect on the IV is indicated by the regression coefficients, represented by beta (β). Table 5 shows the value of β, the t-statistics and the significance (p) for the independent variables in the regression model. These statistical estimates were used to test the hypotheses of the studies

Table 5: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	p.
		β	Std. Error	Beta		
1	(Constant)	1.189	.325		3.654	.000
	Cashless Policy	0.214	.093	.225	2.297	.001
	Withdrawal Limit	0.225	.090	.315	2.494	.000
	Mobile Wallet	0.339	.068	.435	4.993	.000
	Internet Banking	0.245	.076	.264	3.654	.000

Source: SPSS Output 2025

The information in Table 5 provides evidence for testing the hypotheses of the study. The significant level (SL) for the study is 0.05, at which point the tabulated t-score is 1.96. Therefore, computed t-values higher than this is considered significant.

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H01: The growth of point of sales business in Dutsin-ma has not been significantly affected by the CBN cashless policy.

In table 5, the standardized coefficient (β_1) corresponding to cashless policy (CP) is 0.225 with a t-value of 2.297. This t-value is higher than the critical t-score of 1.96 at the 0.05 level of significance. The study therefore rejects the null hypothesis that cashless policy has no significant effect on growth of point of sales business in Dutsin-ma. Cashless policy has significant effect on growth of point of sales business in Dutsin-ma. Thus, the study is 95% confident that cashless policy contributes significantly and positively to growth of point of sales business.

H02: The cash withdrawal limit has not contributed significantly to the growth of point of sales business in Dutsin-ma.

Table 5 shows that the standardized coefficient (β_2) corresponding to withdrawal limit (WL) is 0.315 with a t-value of 2.494. The study therefore rejects the null hypothesis that withdrawal limit has no significant effect on growth of point of sales in Dutsin-ma. Thus, the study is 95% confident that withdrawal limit has positive contribution to the growth of point of sales business.

H03: There are no significant implications of the mobile wallet for the growth of point of sales business in Dutsin-ma.

In table 5, the standardized coefficient (β_3) corresponding to mobile wallet for the growth of POS (MW) is 0.435 with a t-value of 4.993. the t-value is higher than the critical t-score of 1.96 at the 0.05 level of significance. This implies that B_3 is significant (sig.=.000). The study therefore rejects the null hypothesis that mobile wallet has no significant effect on the growth of POS in Dutsin-ma. The alternate hypothesis is therefore accepted. Thus, the study is 95% confident that mobile wallet has positive contribution to the growth of POS business.

H04: Internet banking does not have any significant effect on the growth of point of sales business in Dutsin-ma.

Table 5 contains the standardized coefficient (β_4) corresponding to internet banking (IB) effect on growth of POS. β is 0.264 and t-value = 3.654. This implies that β_4 is significant (p.=000). The study therefore asserts with 95% confidence that internet banking has positive contribution to the growth of POS business.

Table 6: Summary of the Hypotheses Test

HYPOTHESIS		DECISION
HO1	The growth of point of sales business in Dutsin-ma has been significantly affected by the CBN cashless policy.	SUPPORTED
HO2	There are significant implications of the mobile wallet for the growth of point of sales business in Dutsin-ma.	SUPPORTED

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HYPOTHESIS		DECISION
HO3	Internet banking has significant effect on the growth of point of sales business in Dutsin-ma.	SUPPORTED
HO4	The cash withdrawal limit has contributed significantly to the growth of point of sales business in Dutsin-ma.	SUPPORTED

Discussion of Findings

This study aimed to find out the effect of cashless policy and growth of point of sales business in Dutsin-ma, Katsina state. Results of the analysis show that cashless policy contributes to growth of point of sales businesses in Dutsin-ma. The three components of the policy examined in the study demonstrated significant positive effects on the enhancement of POS business growth. This finding agrees with Agu and Agu (2020), who established that cashless policy contributes to economic growth and prosperity of nations. This research finding corroborates the policy objectives to encourage electronic transfers, internet banking services, credit card adoptions among the populace to ease numerous hassles associated with high volume of cash circulation in the economy. Ensuring minimal cash dealing in Dutsin-Ma thus motivated entrepreneurs to embark on point of sales businesses, thereby generating incomes for households and creating profitable employment opportunities to many individuals.

The benefits of going cashless were amply explored in the study by incorporating the potentials identified in literature into the research questionnaire. As revealed by the statistical analysis, more than seven of the questionnaire items show above 50% contribution to explaining the motivations for going into the business of point of sales services in Dutsin-Ma. These potential benefits include secured means of holding cash as provided by cash wallets, high accessibility of cashless services to the community, easy and user-friendly account information such as balance checks and transaction confirmation. Olusegun, et al (2020) affirm this as their study revealed that POS terminals have become widely available, which makes it easier for enterprises of all sizes to accept electronic payments, improving the convenience of customers, reducing dependence on cash and enhancing transactions tracking and monitoring of financial dealings.

Looking at the predictor variables' relative significance, mobile wallet demonstrates the highest significance with a t-score of 4.99, followed by internet banking (t=3.65) and withdrawal limit (2.49). Although the cashless policy has a t-score of 2.30, the policy provided the framework for the evolvement of all the digital payment platforms. The policy stimulated digital innovations and unprecedented application of digital technologies in the delivery of financial services in the Nigerian economy. With the enactment of the cashless policy initiatives, the economy embraced global advances in financial products and delivery channels.

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Conclusion and Recommendations

The study is 95% confident that cashless policy and its component measures have positive and significant effects on the growth of point of sales business in Dutsin-Ma, Katsina State. This implies that cashless policy account for over 30% growth in point of sales business within Dutsin-Ma, Katsina State. The insights provided would guide policy makers, POS operators and other business practitioners, and as well form a basis for further studies in this domain area. The Federal Government, through its agency, the Central Bank of Nigeria, should continue to drive the cashless policy measures in the economy. This can be enhanced through directives to commercial banks and other financial institutions to strengthen their commitment towards promoting a cashless society. Committed institutions should continue to make appropriate investments in infrastructure, software and systems, and people, as are necessary for effective and efficient digital services delivery. It would equally be necessary to define sanctions against non-participation in this innovative drive by the financial institutions and other participating agencies.

POS operators and other business practitioners are key catalysts for the diffusion of digital financial transaction solutions in any economy. They should see the cashless policy measures as a veritable sustainable business opportunity that is not only capable of enhanced profitability, but also a means of cost savings. This societal segment represents an important catchment area that can be explored for continued profitable engagement. With improving technology, the capital costs will continue to decrease relative to the revenue potentials of POS services.

This study has dwelt on the effect of cashless policy on growth of point of sales businesses in Dutsin-Ma. However, this contextual scope of the study restricts generalization of the findings. So, this study recommends that a more elaborate study be designed to substantiate the present conclusion. In addition, the implications of the cashless economy for the privacy of individuals and corporate entities, likely exclusion of the non-literate members of the society, and potential risks for cybercrimes should be examined in future studies to provide guidance for redressing policy and operational deficiencies in the system.

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