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EFFECT OF CASHLESS POLICY ON CUSTOMER SATISFACTION: A STUDY OF SMALL AND MEDIUM ENTERPRISES IN BIDA LOCAL GOVERNMENT. NIGER STATE, NIGERIA

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Abstract

This study examined the effect of a cashless policy on customer satisfaction in Bida Local Government area of Niger State, Nigeria. The study adopts a survey research design, utilising a structured questionnaire based on a five-point Likert Scale to 124 respondents (selected from the agricultural, retail and service sector) to evaluate the effect of electronic banking tools [redacted] (Point of Sale (POS) terminals, mobile banking, and Internet banking) on customer satisfaction. The study uses multiple regression and the findings revealed that POS and mobile banking significantly enhance customer satisfaction. In contrast, Internet banking

Keywords: Cashless policy, Mobile banking, Point of Sale (POS), Internet banking and Customer satisfaction

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Prof. R. Rena [South Africa]

had an insignificant effect due to infrastructure and security challenges. The findings underscore the importance of cashless systems in fostering convenience and reducing risks associated with cash handling. The study recommends that raising awareness, improving internet security frameworks, and addressing infrastructure gaps to maximize the benefits of cashless policy implementation.

Introduction

The implementation of a cashless policy in Nigeria has elicited varied views across all sectors of the economy. The recent innovation of technology for economic transactions in the context of cashless policy raises interesting questions for policymakers and the general public about the suitability of current arrangements and the availability of instruments to ensure the efficiency and effectiveness of monetary policy and the achievement of sustainable economic growth in Nigeria (Alao & Sorinola, 2015).

The Central Bank of Nigeria's Cashless Policy is a monetary instrument designed to reduce the quantity of cash in circulation while increasing electronic financial and business activities (Ogeide, 2018; Madu et al., 2023). A cashless policy refers to a situation in which payments for commercial and economic activities are performed and documented without physically exchanging money between the parties concerned. The Central Bank of Nigeria has numerous reasons to believe that the implementation of the cashless policy will reasonably reduce the amount of physical cash in circulation, while also encouraging the use of electronic platforms for executing transactions that involve payments for goods and services and overcoming the risks associated with to create an environment where an increasing share of transactions are conducted out. Lamido Sanusi, former Governor of the Central Bank of Nigeria, implemented a cashless policy using electronic platforms in 2011. The cashless policy is anticipated to deliver mobile payment services, break down the conventional obstacles holding most Nigerians' financial inclusion, and introduce low-cost, secure, and convenient financial practices to urban and rural locations across the country (Taiwo et al., 2016).

Nigeria's cashless payment system has evolved in tandem with global payment trends. The cashless system of payments and instruments contributes significantly to the overall efficacy and stability of the financial system. Innovations in technology and business models have ramifications for the efficiency and security

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

of cashless payment systems, therefore the nation's transition from a cash to a cashless economy has been prioritized (Akara & Asekome, 2018).

The introduction of a cashless policy in Nigeria coincided with the redesign of the Nigerian naira. This showed Nigerians' reluctance to adopt new technology. Every Nigerian now has cause to feel that much more work needs to be done to gain the confidence and faith of the channels for electronic transactions intended to aid cashless transactions. This belief is the outcome of several difficulties. Some of the challenges associated with the use and effective and efficient implementation of the cashless policy include: lack of understanding and proper guidance on the use and implementation of the cashless policy tools, lack of technical skills, unwillingness of the population to embrace the policy, and lack of technical facilities to make the policy work. constant technical snags such as network problems and data unavailability, expensive charges, delays and stress in retrieving outstanding debts, and vulnerability of the policy to fraudulent operations (Agu & Agu, 2020; Madu et al., 2023).

Many Nigerians have attempted to implement the idea, but the aforementioned obstacles continue to make it a mirage. This necessitates determining how to use mechanisms such as automatic teller machines (ATM), Internet or electronic banking, electronic fund transfers, and Point of Sale (POS) to help the government achieve its policy and goals. This study notices an empirical gap of little or no existing research conducted on the effects of cashless policies on customer satisfaction in Bida Local Government, Niger State, Nigeria, to the best of my knowledge. For instance, Ajayi (2014), Alao and Sorinola (2015), Mamudu and Gayovwi (2019), Ong and Chong (2022) Chen and Jiang (2022) Madu et al (2023) Rahman and Maulana (2024). Most of the studies were conducted in different states and service sectors. It is against this background, this study seeks to explore the Effect of Cashless Policy on Customer Satisfaction: A Study of Small and Medium Enterprises in Bida Local Government. Niger State, Nigeria.

Literature Review and Theoretical Framework

Cashless Policy

The Central Bank of Nigeria established the Cashless Policy as a monetary instrument to reduce the quantity of cash in circulation while also encouraging electronic financial and economic activities (Ogeide, 2018). Cashless policy refers

to a situation in which payments for commercial and financial transactions are performed and recorded without physically exchanging money between the persons concerned. The Central Bank of Nigeria believes that implementing a cashless policy will reduce the amount of physical cash in circulation while also encouraging the use of electronic platforms for executing transactions involving payments for goods and services. The cashless policy as a monetary strategy in Nigeria has led to the adoption of electronic banking tools such as ATM, NEFT, POS, NIP, USSD, and other forms of mobile banking such as electronic fund transfers and cheques (Ejiobih, 2019).

Internet Banking

This is the banking system in which consumers conduct their banking transactions using information and communication technologies without physically visiting the banking hall. Internet banking, also known as online banking, e-banking, or virtual banking, is defined as 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 (Guma & Giuma, 2022). Most crucially, online banking is heavily reliant on the availability of an internet or data connection for mobile devices. This means that the consumer must have an internet-enabled device, such as a smartphone or laptop, to use this banking mode. The main advantage is that the user does not need to visit the bank to conduct bank activities; it is a 24-hour service that allows customers to execute operations such as paying for purchases and making online payments without any impediments. The major disadvantages are that; it is exposed to fraud as customers' accounts are frequently hacked, there is the problem of internet availability, there is the problem of power supply, especially for customers who always experience low battery of their devices, it is costly because the associated charges for both banks and customers are high.

Mobile banking

Mobile phones are the most common electronic devices used in e-banking. Customers can use their mobile phones to access their bank accounts as long as their phones and network service providers offer short messaging service (SMS),

which allows them to check their account balance (Ajayi, 2014; Acha et al 2017). Payment of transactions can also be made through mobile phones.

Point of Sale (POS) Terminal

Point of sale terminal is an electronic device used to process electronic card payments at retail locations. A Point of Sale (POS) terminal is used to execute financial transactions such as: reading the information of a customer's credit or debit card; checking if the funds in the customer's bank account are sufficient; transferring funds from the customer's account to the seller's account; provide cash for the customer upon demand; and record transactions and Point of Sale (POS) Terminals are a mix of software and hardware that allow retail businesses to accept card payments without having to update their cash registers to read cards directly (Ostrovskyi, 2023). This is because the cost of installing a Point of Sale (POS) terminal depends on the size of the business and the terms.

Concept of Customer Satisfaction

Customer satisfaction is a term commonly used in marketing. It is a measure of a company's ability to meet or exceed consumer expectations with its products and services. Customer satisfaction is defined as "the number of consumers, or percentage of total customers whose reported experience with a firm, its products, or services (ratings) surpasses established satisfaction goals (Alao & Sorinola, 2015).

Theoretical Framework

Technological Acceptance Theory The technology acceptance theory proposes that firms use the Technology Acceptance Model (TAM) to boost economic growth (Ajayi, 2014). The technology acceptance theory is one of the theories designed to help people better grasp how to use and adopt information technology. It is currently a popular theory for modelling technology acceptance and adoption in information systems research. According to Ajayi (2014), Fred Davis proposed the TAM in 1985 as part of his doctoral thesis at MIT Sloan School of Management.

TAM is an information systems theory that describes how users learn to embrace and employ technology that promotes economic progress. The model proposes

that when consumers are presented with new technology, a variety of factors influence their decision on how and when to use it. The two parameters are perceived usefulness (PU) and perceived ease of use (PEOU). According to TAM, the user's behavioral intentions, attitude, perceived usefulness of the system, and perceived convenience of the system all influence one's actual use of a technology system, either directly or indirectly.

Empirical Review

Ajayi (2014) evaluated the impact of the cashless monetary policy on the banking industry in Nigeria. It specifically aims to highlight the benefits, issues, and challenges associated with this policy and how it affects banking operations. The study employs a quantitative approach using structured questionnaires distributed among 370 staff members of Guaranty Trust Bank (GTBank) in Ekiti State. The data were analyzed using frequency tables and percentages, with a Chi-square test utilized for hypothesis testing. The study found that the cashless monetary policy significantly impacts the Nigerian banking industry. However, the study's focus on GTBank staff in Ekiti State may not represent the experiences of banking staff in other regions or banks.

Alao and Sorinola (2015) investigated the effect of a cashless policy on customer satisfaction among Commercial Banks in Ogun State, Nigeria. The study employed a survey design, distributing structured questionnaires to 70 selected commercial bank customers in Abeokuta. Descriptive statistics and correlation analysis using Statistical Package for Social Sciences (SPSS) were utilized. The findings indicated that the cashless policy significantly contributed to customer satisfaction in Ogun State. Customers reported better service experiences and greater convenience with electronic banking channels. The correlation between cashless policy and customer satisfaction through policy and customer satisfaction through electronic channels was statistically significant, reinforcing the positive impact of technology in banking. However, the small sample size limits the robustness and applicability of the results.

Oladejo (2016) examined the impact of four (ATM, POS, web/Internet and mobile) e-payments adoption and bank-specific variables on the profitability of Nigerian Deposits Money Banks (DMBs). Secondary data were obtained from the annual report and accounts often quoted (DMBs) between 2005 and 2012. Data were

analyzed using panel logistic regression. The overall result from data analysis shows that when bank adopts e-payment systems, their performance level, such as gross margin, profits after tax, return on assets and return on equity changes. This is reflected in the positive association between adoption and gross earnings of banks. Further, the adoption of the four e-payment instruments ATM, WEB, POS and Mobile banking influenced performance indices measured by return on assets (ROA), gross margin and profits after tax (PAT) of the sampled banks.

Acha et al (2017) examined the mechanics, benefits, and problems of the cashless policy in Nigeria. This study aims to understand how the introduction of the cashless policy by the Central Bank of Nigeria (CBN) in 2011 has impacted the Nigerian economy and its stakeholders. The study employed a mixed-methods approach, collecting both primary and secondary data. Secondary data was sourced from CBN Statistical Bulletins, while primary data was gathered from 170 bank customers through structured questionnaires. The data covered customers of seven commercial banks in Uyo, Akwa Ibom State, and Owerri, Imo State. The gathered data was analyzed using descriptive statistics to assess the impact and challenges of the cashless policy. The findings revealed an increasing adoption of cashless options among Nigerians, indicating a positive shift towards electronic transactions. One of the major challenges faced was the lack of enabling infrastructure, particularly power supply deficiencies. This significantly hampered the full implementation of the cashless policy. However, the focus on two cities (Uyo and Owerri) may not reflect the different infrastructural challenges and adoption rates in other regions of Nigeria.

Ejiobih et al (2019) evaluated the ongoing challenges of the cashless policy implementation in Nigeria. Additionally, it aims to identify factors that influence the adoption of electronic payment platforms using the Unified Theory of Acceptance and Use of Technology (UTAUT) model. The research employed a survey-based cross-sectional design, involving 410 respondents across Nigeria who provided data through structured questionnaires. The Partial Least Square (PLS) method and SmartPLS software were used to analyze the data. The findings revealed that performance expectancy, effort expectancy, and social influence significantly impact the behavioral intention to adopt cashless systems. Facilitating conditions and trust showed no significant direct effect on actual system use and behavioral intention, respectively. However, the study's cross-

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Prof. R. Rena [South Africa]

sectional nature limits its ability to capture changes over time in the adoption and challenges of cashless systems.

Mamudu and Gayovwi (2019) conducted a study on the impact of the cashless policy on the Nigerian economy. It offers insights into the issues, benefits, and challenges faced in a cashless economy, leveraging quarterly time series data from 2011 to 2017. Stationarity tests were performed using the Phillips-Perron test, and a Johansen cointegration analysis was conducted to assess long-run relationships between the cashless policy variables and Gross Domestic Product (GDP). The regression results provided insights into the short-run impacts of various cashless policy instruments on Nigeria's GDP. The study revealed that the use of cashless policy instruments such as ATM, WEB, and NEFT positively impacted GDP. This positive impact underscores the importance of e-transactions and technology acceptance in promoting economic growth. Conversely, CHEV, POSV, and MOBP exhibited an inverse and insignificant impact on GDP, attributed to challenges like inadequate internet and power infrastructure, limited POS devices, and unfriendly mobile applications from some Deposit Money Banks. However, the analysis covered data from 2011 to 2017, which may not reflect recent developments and trends in Nigeria's economy post-2017

Agu and Agu (2020) evaluated the impact of Nigeria’s cashless policy on economi c growth, utilizing a disaggregated approach1. The research focuses on various fa cets of the cashless policy, including Automated Teller Machine (ATM) transactio ns, Point of Sale (POS) payments, web payments, and cheque transactions.

The study employs quarterly time series data from Q1 2010 to Q4 2018, sourced fr om the World Bank Development Indicators and the Central Bank of Nigeria (CB N) Statistical Bulletin and Annual Reports1. Using ordinary least squares (OLS) re gression, the researchers conducted unit root tests, cointegration tests, and Gra nger causality tests to assess the relationship between cashless policy variables a nd economic growth in Nigeria. The findings revealed that the cashless policy has positively influenced economic growth, especially in POS transactions and ATM transactions.

POS transactions were found to significantly contribute to Nigeria's economic gr owth, showing that technological advancements drive efficient payment systems .

Cheque transactions, and to some extent web payments, did not contribute signi

ficantly to economic growth. This was attributed to limited adoption and infrastr uctural challenges. However, the study relies solely on secondary data. While these data sources are reputable, primary data from stakeholder surveys or interviews could provide more insights .

Ong and Chong (2022) evaluated the impact of cashless payments on the usage of Internet and mobile banking services. The study aims to determine both the short-run and long-run effects of the transition from cash to cashless payments, using actual transaction data instead of merely intentions to adopt these services. The study employed econometric methods, particularly the Wald test and the autoregressive distributed lag (ARDL) bounds test, to analyze monthly transaction data from January 2016 to August 2020 provided by the Central Bank of Malaysia. The data included various cashless payment tools such as credit cards, charge cards, e-wallets, credit transfers, and direct debits. The analysis focused on assessing the causal and long-term relationships between these tools and the use of the Internet and mobile banking. The findings revealed that the use of credit transfer and direct debit showed significant positive effects on Internet banking usage, while charge cards significantly impacted mobile banking in the short run. In the long run, only direct debit had a positive and significant impact on both Internet and mobile banking, suggesting that this payment method is a key driver in the sustained adoption of these banking services. The transition to cashless payments has overall increased the usage of Internet and mobile banking, with spikes coinciding with policy implementations and pandemic-related restrictions. However, the data used spans from 2016 to 2020, which limits the ability to generalize findings to subsequent periods, especially considering rapid technological advancements.

Chen and Jiang (2022) investigated how financial technology (FinTech) influences consumer financial satisfaction with cashless payments using data from the 2017 China Household Finance Survey. The study also examines the role of perceived mediators like convenience, popularity, and risk in this context. Additionally, it explores whether the association between FinTech payments and financial satisfaction varies with different locations and levels of financial literacy among consumers. The researchers employed ordered probit regressions to analyze the association between FinTech payments and financial satisfaction, considering the

dependent variable's discrete and ordinal nature. To address endogeneity issues, the study uses instrument variables and Heckman's two-step estimation. The sample was divided into subsamples based on location and financial literacy to further explore heterogeneity. Data from 14,057 observations were utilized, covering various household financial behaviors including payments with digital technologies. Findings revealed that payments with FinTech significantly enhance consumers' financial satisfaction with cashless payments due to increased convenience, popularity, and reduced perceived risk. The positive relationship between FinTech cashless payments and financial satisfaction is stronger in regions with higher economic development (eastern China) and among consumers with higher financial literacy. However, the sample was limited to China, which may affect the generalizability of the findings to other countries.

Madu et al (2023) evaluated the effects of electronic banking mechanisms implemented under Nigeria's cashless policy on customer satisfaction within deposit money banks. The research utilizes a mixed-methods approach, combining quantitative and qualitative data. Questionnaires were distributed to 200 bank customers in Lagos, and in-depth interviews were conducted with bank officials. The quantitative data were analyzed using regression analysis, while the qualitative data were subjected to thematic analysis. The findings revealed that electronic banking mechanisms improved transaction security and offered convenience, leading to higher customer satisfaction. There was a significant positive correlation between the usage of electronic banking services and overall customer satisfaction. However, the sample was solely from Lagos, which may limit the generalizability of the findings to other regions experiencing different levels of technology adoption.

Rahman and Maulana (2024) assess the impact of the cashless payment system and terminal facilities on user satisfaction at the Pelindo Tanjung Balai Karimun Passenger Terminal. It aims to determine the effectiveness of these facilities in enhancing the overall customer experience and service quality. The research employs a quantitative approach, utilizing a structured survey to gather responses from 150 passengers using the terminal. The survey includes questions assessing user satisfaction with the cashless payment system and various terminal facilities. Data analysis is conducted using regression analysis to identify significant predictors of user satisfaction. The result revealed that the cashless payment

system positively influences user satisfaction by providing convenience and improving transaction speed. However, the sample size of 150 users might not be representative of the entire population of passengers using the terminal, which could affect the generalizability of the findings.

Conceptual Framework

For this study, the concept of cashless policy as the independent variables are POS Terminal, Mobile Banking and Internet banking while the dependent variable is customer satisfaction derived by customers of SMEs in the Bida Local Government.

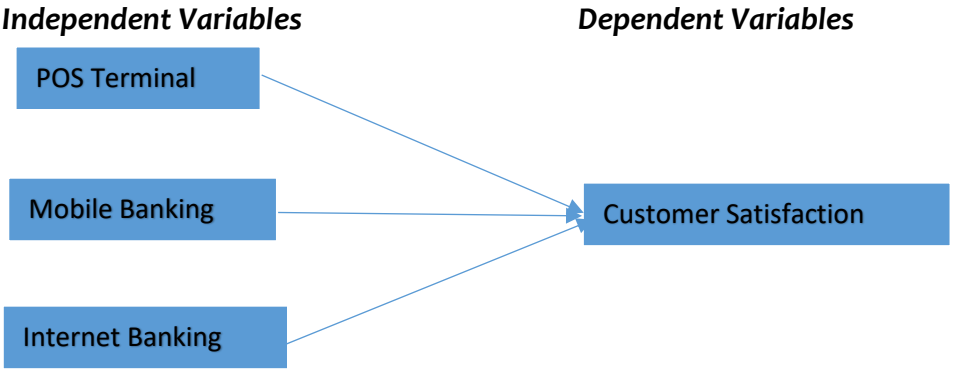

Figure 1

Methodology

A survey research design was adopted for this study. The use of survey design helps collect different respondents' views through questionnaire administration. A self-administered questionnaire is used to collect the respondents' opinions on the implementation of cashless policies on customer satisfaction within SMEs in the Bida Local Government. The SMEs were selected based on a stratified sampling method from a total population of Five thousand, seven hundred and seventy-six (5,776) owners of Small and Medium Enterprises (SMEs) in the Bida local government that have so far registered with the Niger State Agency for Micro, Small and Medium Enterprises (Abubakar, 2022). These SMEs were selected from the agricultural sector, the retail sector, and the service sector. A stratified sampling method was used for this study and a total of 124 respondents (SMEs) were selected for the study after a convenience and simple sampling method was

employed; Agricultural business (45), Service Sector (45), retail sector (34). The data collection instrument for the study was a self-designed thirteen-item questionnaire which comprised of two parts to assess the main variables for the study. Three questions were designed on each of the variables to help elicit customers' responses. The questionnaire was designed using a five-point Likert Scale as follows: Strongly Agree 5, Agree 4, Undecided 3, Disagree 2 and Strongly Disagree 1. The instrument was administered to the participants with the aid of two research assistants and this helped the process of data collection. The independent variable (cashless policy) was measured using a Point of Sales (POS) terminal, mobile banking and Internet banking while the dependent variable (customer satisfaction) is measured using customer loyalty and customer retention. Data collected for this study are presented and analyzed with the aid of the Statistical Package for Social Sciences (SPSS 21) and formulated hypotheses are tested using multiple regression at 0.05 % level of significance.

Table 1: ***Sample size determination***

S/N	*Sector*	Population
1	*Agriculture*	45
2	*Retail*	45
3	*Service*	34
4	***Total***	**124**

Taro Yamane Formular

$$n = \frac{N}{1 + N(e)^2}$$

Where:
n= Sample size required for the study;
N= number of people in the population;
e= allowable error (%) which is 5% or 0.05
Using this formula, we can estimate the sample size of this study thus:

$$n = \frac{5776}{1 + 5776(0.05)^2} = \frac{5776}{1+5776(0.0025)}$$

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

$$n = \frac{5776}{1+14.44}$$

$$n = \frac{5776}{15.44} = \mathbf{374}$$

Using the convenience sampling method, 374/3 = 124 samples

Research Model

The study will adopt the model from the works of Madu (2023) to empirically address the specific objectives of this study by examining the nature of the relationship between the dependent and independent variables. The effect of customer satisfaction of small and medium enterprises (SMEs) is expressed as a function of cashless policies as follows:

$Y=a+b1X1+b2X2+b3X3+...+btXt+u$

Where:

Y = *Customer satisfaction (Dependent variable)*
X1 = POS Terminal (independent variable)
X2 = Mobile Banking (independent variable)
X3 = Internet Banking (independent variable)

RESULTS AND DISCUSSION

The result of the model summary as presented in Table 2 shows an R^2 value of .726, which implies that, 72.6 % of the variation in the dependent variable is explained by the independent variables while 27.4% is explained by other variables outside the model. The result indicates that the model is a strong predictor. Also, the R-value of .852 shows that there is a positive correlation between the dependent variable (customer satisfaction) and the set of independent variables as indicated in the results of Alao and Sorinola (2015), Mamudu and Garovwi (2019), Ong and Chong (2022), Rahma and Maulana 2024). In addition, Durbin Watson test had a value less than two indicating minimal autocorrelation with no effect on the study output (Watson value = 1.764). The rule of thumb was applied in the interpretation of the variance inflation factor which states that a principle with broad application is not intended to be strictly accurate or reliable for every situation.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	0.85	0.726	0.723	0.3751	1.764

a. Predictors: (Constant), Internet banking, Mobile banking, POS

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

b. Dependent variable: Customer Satisfaction
Source: Field Survey, 2024

The results of the study are supported by ANOVA (F test) in Table 3 which shows that the model was fit since none of the parameters was equal to zero and significant (F = 32.186, ρ<0.05). This result implies that the regression model is statistically significant, valid, and fit.

Table 3: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	112.515	3	37.505	266.562	.000[b]
Residual	42.491	302	0.141		
Total	155.007	305			

a. Dependent Variable: Customer Satisfaction
b. Predictors: (Constant), Internet banking, Mobile banking, POS
Source: Field Survey, 2024

The regression coefficient in Table 4 indicates the result of the variables as follows: POS (t= 20.147, p=.000 < .05); Mobile Banking (t= 4.096, p = .000 < .05) and Internet Banking (t= 1.811, p =0.142 > .05). The result showed an increase in POS terminals will affect customer satisfaction by 72.6 %, an increase in use of mobile banking leads to 33.7 % increase in customer satisfaction while a decrease in customer satisfaction by 3.2% as a result of Internet banking.
The result in table 4 also indicates a regression coefficient thus;
$Y=\beta_0 + \beta_1(POS) + \beta_2(\text{Mobile Banking}) + \beta_3(\text{Internet Banking})$
That is; Y= 0.213 + 0.726(POS) + 0.337(Mobile Banking) +0.032 (Internet Banking)

Table 4: Regression Model

Coefficients	Unstandardized B	Std. Error	Standardized Beta	T	Sig.
(Constant)	0.213	0.127	-	1.671	0.096
POS	0.726	0.035	0.757	20.811	0.000
Mobile Banking	0.337	0.033	0.129	4.096	0.000
Internet Banking	0.032	0.022	0.012	1.811	0.142

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Prof. R. Rena [South Africa]

a. Dependent Variable: Customer Satisfaction

Source: Field Survey, 2024

Furthermore, the result in Table 6 indicates that hypothesis one which states that POS terminals among SMEs has a significant effect on customer satisfaction with an acceptable P-value (0.000) which lesser than 0.05. It also shows that the implementation of mobile banking by SMEs in Bida metropolis significantly effect customer satisfaction with a p-value 0.000 which is less than 0.05. However, the result shows that the introduction of internet banking among SMEs in Bida metropolis has no significant effect on customer satisfaction with a p-value of 0.142 which higher than 0.05.

Table 5: Hypothesis Testing

S/N	Hypothesis	Result	Decision
1	The implementation of POS terminals has no significant effect on customer satisfaction in Bida metropolis, Niger State, Nigeria.	0.000 < 0.05	Rejected
2	The implementation of mobile banking has no significant effect on customer satisfaction in Bida metropolis, Niger State, Nigeria.	0.000 < 0.05	Rejected
3	The implementation of internet banking has no significant effect on customer satisfaction in Bida metropolis, Niger State, Nigeria.	0.142 > 0.05	Accepted

Source: Field Survey, 2024

The findings of the study have established a significant relationship between cashless policies (POS terminal, mobile banking and Internet banking) and customer satisfaction. The result of the study reveals that cashless policies have a significant effect on customer satisfaction among SMEs in the Bida metropolis. That is, the introduction of POS terminals and mobile banking does have a significant effect on customer satisfaction, meaning an improvement of POS terminals and mobile banking on customer satisfaction. While Internet banking has an insignificant effect on customer satisfaction. The result shows that most customers are aware of the product and do make use of it while transacting

business. This result agrees with Oladejo (2016), Acha et al (2017), Mamudu and Gayovwi (2019), and Madu et al (2023), who concluded that the introduction of cashless policies thus positively impacts customer satisfaction. The findings of the study also indicated that both POS terminals and mobile banking have a significant effect on customer satisfaction.

CONCLUSIONS AND RECOMMENDATIONS

This study examined the effect of a cashless policy on customer satisfaction: Study of SMEs in Bida Local Government, Niger State, Nigeria. The findings of the study indicate that much awareness has been made of the cashless policy and its impact on business enterprises. This study established that one of the most significant contributions of the cashless policy is its expected reduction in risk associated with carrying cash. The study concludes that POS terminals and mobile banking have positively affected customers in transacting with businesses in the Bida Local Government. The study also concludes that with mobile banking customers can now carry out transactions at their convenience without visiting their banks or vendors. However, one major challenge of the cashless policy is internet-related fraud. The study therefore recommends that awareness should be created by the government on the use of internet banking to enable customers and other business organizations to effectively utilize it. There should be adequate legislation on all aspects of the operations of the cashless system so that both the operators of the system and the public can be adequately protected.

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