

Cashless Policy Channels and Performance of Banks in Nigeria

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Abstract

The achievement of banks in Nigeria is examined in this study in relation to cashless policy channels. This study's objective is to examine the connection between Nigerian banks' performance and cashless policy channels. Cross-sectional survey research design was used in the study's quasi-experimental approach. Given that they are all represented in Port Harcourt, there are 14 listed deposit money banks as stipulated by the Nigeria Stock Exchange. The 140 consumers who would provide the cross-sectional data for our study, 10 of whom would be purposefully chosen from each of the 14 banks, would be the only ones. It was decided to use the statistical method of multiple regression. The study's conclusions demonstrated that the performance of banks and cashless policy channels are related both considerably and insignificantly. The study came to the conclusion that the cashless policy channel had a beneficial effect on profitability based on the results obtained. On the basis of this, we suggested that banks enhance their technology in use to allow for client satisfaction with the system in order to ensure a viable cashless society.

Keywords: *Cashless Policy Channels, Performance, Banks.*

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1.0 Introduction

The modern financial system is a result of periods of innovation. As a result of the limits imposed by the emerging institutions, it began as a system of bartering and has gone through several transformations (Ajayi & Ojo, 2006). Adewoye (2013) notes that the majority of banking transactions, including e-payments, investments, loans, and securities, are now very dependent on information and telecommunications technologies. In order to move Nigeria's economy in the correct direction and in line with international standards, the Central Bank of Nigeria (CBN) recently implemented a number of changes aimed at both bolstering the country's financial system and improving overall economic performance. One significant financial system reform in Nigeria is the cashless policy. The new cash-based payments policy stipulates a "cash handling charge" on daily withdrawals of money or deposits of cash that exceed N500,000 for individuals and N3,000,000 for corporate organisations. The programme aims to reduce the amount of physical currency moving around the nation without completely eliminating it while also promoting the expansion of electronic payment systems in Nigeria (CBN, 2012). A variety of electronic payment methods, including the widely used e-payment, were created as a result of the cashless policy.

In order to do this, electronic payment methods have increased in Nigeria, with the goal of facilitating trade and streamlining payment processes. Customers in Nigeria had to enter the banking hall to do all types of transactions prior to the advent of cashless policy channels. To complete their transactions, they had to stand in line for longer and speak with a teller. Most people are turned off by these long lines, and occasionally they saunter off the queues out of irritation. Bankers, IT professionals, business owners, and others have long pushed for the elimination of physical currency and the use of more adaptable, effective, and affordable retail payment systems (Baddeley, 2004). In order to modernise their infrastructure and offer new electronic information-based services, Nigerian banks are investing significantly in technology. Individuals and corporate entities are able to benefit from new technologies at reasonable costs thanks to services like online retail banking. Additionally, cashless policy channels contribute to cost savings and improved banking service quality, resulting in increased access to, and usage of, banking financial services (Bayero, 2015; Ajayi, 2014). Financial technology (Fintech)-enabled cashless policies boost the push for financial inclusion in emerging nations by opening up new channels and expanding the reach of institutions.

The channels established by cashless policies, which allow money to move freely from one sector of the economy to another, are of utmost importance in any economy. Because of this, it serves as the main pillar of the contemporary market economy. In essence, this policy serves three crucial functions, namely the monetary policy function, the financial stability function, and the general economic function (CBN, 2015). In order to ensure the flow of money throughout the banking system, the policy's defining characteristic was to promote and accelerate digital payment technologies while minimising the usage of currency in domestic transactions. The unbanked, who have no access to an account at a bank unless they also own an account that would allow them to conduct an electronic transaction, could be said to be directly impacted by cashless policy channels, according to Bayero (2015).

Scholars have performed a large number of studies on the effects of cashless policy channels and bank performance in Nigeria. Researchers Nwosa and Amassoma (2014), Chigbu and Ubah (2015), and Okafor et al. (2015) found that the performance of money deposit banks in developing nations, including Nigeria, is positively impacted by cashless policies. More scholars,

including Sulaiman and Azeez (2012), Baghebo and Apere (2014), Imran et al. (2014), and Olanrewaju et al. (2015), contend that the performance of deposit banks in developing nations, such as Nigeria, is negatively impacted by cashless policies. However, the majority of these studies were conducted outside of Nigeria. Once more, the time periods taken into consideration in these research were brief, and the findings are inconsistent. These flaws have in some way contributed to the information vacuum in the literature, necessitating a more thorough and systematic investigation into the relationship between Nigerian banks' performance and cashless policy channels.

1.1 Statements of the Problem

Technological innovations for banks can take a variety of forms, including automation of account details for client storage and retrieval, automated teller machines (ATM) for deposit and withdrawal, internet banking, point of sale (POS) networking to enable access to accounts from any branch of the bank, biometrics, and use of mobile phones, the internet, and websites. The cost of transactions has significantly decreased because to these new financial services provided through electronic means, as well as the simplicity of money transfers. Despite these amazing testimonials, banks are losing money because of dissatisfied customers.

The majority of clients, however, lament the wasted time they experience at banks, especially when there is a network breakdown brought on by a linkage issue between the central server and the branches. Aside from that, banks have been offering payment cards in the form of ATM cards since 2000, but utilisation has been very low due to a lack of connectivity. The government made the decision to promote the use of e-commerce tools to transact business in place of cash in order to address some of these issues, most notably to lower the volume of cash transactions. This will lessen traffic in the banking hall and other difficulties that customers confront on a daily basis. Unquestionably, a secure and effective cashless billing system is seen as the key to enhancing access to and utilisation of bank financial offerings. In opposition to this stance, the research looks on the relationship between Nigerian banks' performance and cashless policy channels.

1.2 Aim and Objectives of the Study

The goal is to experimentally explore the connection between Nigerian bank earnings and cashless policy channels. In particular, the study's goal is to;

1. Establish the link betwixt client happiness and automated teller machines.
2. Determine the impact of the point of sale on client satisfaction.
3. Look into the connection betwixt online banking and client happiness.

2.0 Literature Review

2.1 Theoretical Framework: The Quantity Theory of Money (QTM) serves as the theoretical foundation for this study. QTM is a macroeconomic strategy used by the government to manage the level of economic activity in the nation. According to QTM, there is a clear correlation between the amount of money in the economy and the level of prices. By positing that changes in the money supply schedule have been far larger than changes in the money demand schedule, Milton Friedman and Anna Schwartz gave the quantity theory a definite shape known as monetarism (Andabai & Bina, 2019).

The Irving Fisher's equation can be used to summarise the Quantity Theory of Money in its most basic form as follows: $MV = PT$. The preceding equation can be understood as follows. M stands for the amount of money in an economy. V stands for velocity of circulation, or the frequency with which the available money moves across the economy in a given time frame. P stands for average level of goods and services prices. The total number of items and offerings sold or added to stock over a specific time period is denoted by the symbol T. MV is the money supply multiplied by the volume of transactions that take place inside the economy during a specific time period as consumers of goods and services. PT is calculated by multiplying the total amount of goods and services produced by the average price at which they are marketed. This represents total productivity over the specified time period, or GNP. $GNP = GNE$. As a result, $MV = PT$, or money spent on products must equal the value for which the commodities were sold.

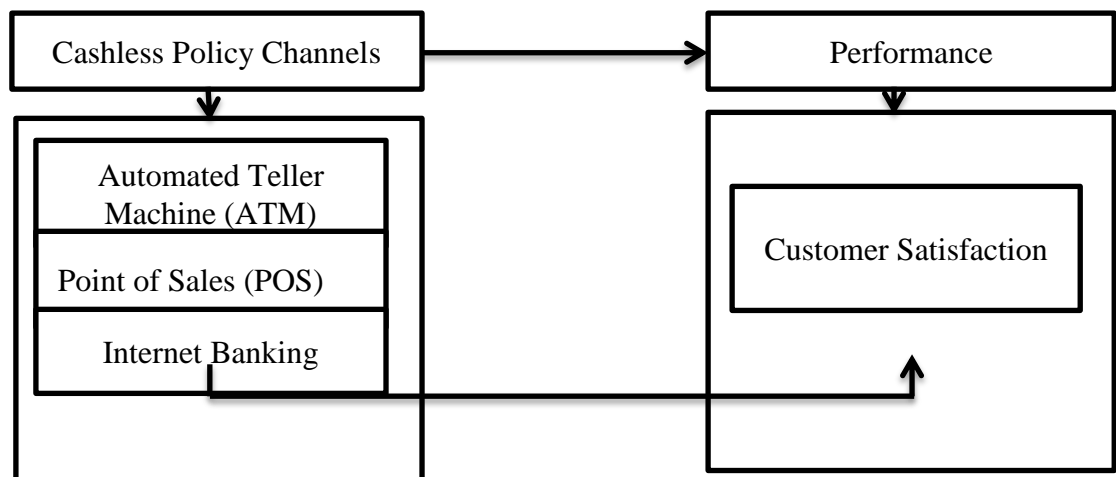


Fig.1: Conceptual framework on cashless policy channels and performance

Source: Muotolu and Nwadiolor (2019)

2.2. Concept of Cashless Policy Channels

In a world without currency, businesses and households engage and promote exchange through cashless instruments. According to Abu et al. (2018), a cashless policy channel is a setting where money is spent electronically rather than physically moving it from one location to another. There is a demand for electronic devices that can track a person's deposits and expenditures. According to Acha et al. (2016), information technology is crucial to the sustainable growth of every country. No nation can achieve a quick social-economic expansion and advancement without making the most use of technological innovations. In accordance with Morufu and Taibat (2015), a cashless policy channel is "one in which it is assumed that there are no transaction disputes that can be reduced by the use of money balances, and that thereby provides a reason for preserving such balances regardless of how they earn rate of return." While agreeing that electronic money combines technological and economic traits, Onoh (2017) noted the challenge of accurately defining it.

Daisi (2016) in Abu et al. (2018) stressed that the use of cashless policy channels does not indicate that cash would completely disappear because there is still a good chance that people will use money to exchange goods and services in the future. By offering substitute payment

mechanisms, it is a financial environment that minimises the use of actual currency. Theoretically, a cashless policy channel is assumed to have an impact on income creation, cost savings and, as a result, an increase in performance level, customer deposits, quick and simple assessments of financial services, and the growth of banks in the banking sector. According to Malaguti (2015) and Yanying et al. (2019), digital payment methods and systems can help to serve the entire population that is underserved. In Nigeria, there are several parts to the cashless policy channels. Woleola (2012) noted that the automated teller machine (ATM), point of sale (POS), online banking, mobile banking, and implants, among others, are the most frequently utilised cashless payment methods in the banking sector. Additionally, employing POS, ATM, and online banking, Muotolu and Nwadiolor (2019) executed a cash-free system channels.

2.3 Performance

A firm's performance can be viewed as a gauge of how effectively it can employ resources from its main line of business to create income. It demonstrates how effectively an organization's management makes use of its resources to produce profit. Different proxies can be used to gauge a company's performance. The ability and willingness of an organisation to satisfy its long-term financial responsibilities, as well as its commitment to continue providing services in the near future, are all factors that contribute to performance (Weber, 2008). Performance is the act of carrying out a financial activity. The extent to which financial goals are being or have been achieved is referred to as performance in a broader sense.

The extent to which a company's financial health throughout time is monitored is called performance, according to Farah et al. (2016). The management of a company's current and intangible assets, financing, equity, revenues, and expenses, in other words, is a financial action used to increase sales, profitability, and worth of the company for its shareholders. Its principal goal is to make sure shareholders and other interested parties have access to financial data so they can make informed investment choices. It can be applied to assess comparable businesses within the same sector or to aggregate sectors for comparison. Near the end of the services provided by commercial banks, the unfavourable variables start to show up in terms of client satisfaction. When a project is unsuccessful, all of its component parts are viewed as being poor, and if a project thrives in one area, it is likely to be profitable in others as well.

Customer Satisfaction

Customers who are happy are more likely to stay loyal over time, be unaffected by competition, and be less price sensitive. Customers' feelings of joy or disappointment as a result of contrasting the performance and quality of the goods to the expected expectations are what Kumar and Nayak (2018) define as customer satisfaction. When the performance of their goods or services can satisfy their customers' needs, producers are said to be able to satisfy them (Chong & Rundus, 2004). Customer fulfilment is the end result of perception, assessment, and emotional responses to the experience of using products or services. So, it's safe to say that happiness varies. Only customers who engage with or consume a product can gauge their happiness with it (Benoit et al., 2020).

Customer satisfaction is an output of a purchase or consumption that results from the customer weighing the advantages vs the expenses as well as the anticipated outcomes. According to Churchill and Surprenant (1982), it can be defined as the accumulation of satisfactions resulting from numerous product and/or service features. The literature has generally embraced Oliver's (1980) theory of customer satisfaction, which characterises customer pleasure as a function of

anticipation and expectancy disconfirmation. The expectancy disconfirmation theory, which explains client happiness and discontent, is also the theoretical foundation for this study. According to the notion, before purchasing a good or service, buyers have expectations about it that become their standards for that particular good or service.

2.4 Cashless Policy Channels and Performance

The issue of Nigeria's cash-based economy and cashless policies was examined by Ojeedokun (2018). The availability of adequate and functional infrastructure, particularly electricity, the coordination of fiscal and monetary policy, regular evaluations of the efficacy of cashless banking channels, keeping in mind the current state and structure of the economy, a redesign of the monetary policy framework, and increased efforts to promote economic growth while controlling inflation should all be taken into account for effective cashless execution in Nigeria. Mieseigha and Ogbodo (2013) looked at the effects of Nigeria's cashless policy on the country's economy. The findings show a significant linear association between fraud, accountability, and cashless payment systems. Additionally, the findings show that Nigeria's cashless policy has a sizable linear impact on economic growth. The effect of the cashless policy on Nigeria's banking industry was studied by Ajayi (2014) using a case study. The results of the analysis show that cashless policies have a positive effect on banking operations, easing the conduct of banks and transactions and reducing lines. Epileptic Fintech facilities and financial apathy were named by the report as potential barriers to the strategy.

Results from the qualitative research conducted by Muiyiwa et al. (2013) show that the cashless economy has a favourable impact on employment and foreign direct investment. The findings of Ogbeide (2019) showed that while web-based transactions had a negligible influence on financial inclusion, the volume of ATM and POS transactions had a considerable beneficial impact on it in urban and rural areas. The findings of Ailemen et al. (2018) suggest that all aspects of electronic banking, including ATM, POS, webTrans, and mobile transactions, do not significantly increase the amount of currency in circulation. The findings of Siyanbola (2013) show that the Nigerian economy and the cashless economy are significantly related. Results from the qualitative research conducted by Muiyiwa et al. (2013) show that the cashless economy has a favourable impact on employment and foreign direct investment. The findings of Ogbeide (2019) showed that while web-based transactions had a negligible influence on financial inclusion, the volume of ATM and POS transactions had a considerable beneficial impact on it in urban and rural areas. The findings of Ailemen et al. (2018) suggest that all aspects of electronic banking, including ATM, POS, webTrans, and mobile transactions, do not significantly increase the amount of currency in circulation. The findings of Siyanbola (2013) show that the Nigerian economy and the cashless economy are significantly related. According to their research, MPAY has a positive impact on deposit money banks' return on equity in Nigeria, while POS payment methods have a positive impact but are not statistically significant in this regard. The study also found that ATM payment methods have a negative impact on deposit money banks' return on equity but that this impact is not statistically significant.

Automated Teller Machines (ATM) and Performance

Although National Cash Registers (NCR) really installed the first automated teller machine (ATM) in Nigeria for the now-defunct Society General Bank in 1987, the ATM was first made available in Nigeria in 1989. An ATM, in the opinion of Muotolu and Nwadiolor (2019), is a computer-operated equipment that provides customers who authenticate themselves using a PIN

with money distribution and other services. is a device that prints money and is capable of performing functions that would often be performed by taller people in banking halls, such as transfers, low-balance checks, making payment for bills, savings, and other recharges. In accordance with Tan and Teo (2002), a consumer can utilise an ATM to swiftly and easily retrieve the money in their accounts. Furthermore, the banks continue to be productive even after regular business hours because the ATMs keep running after the human tellers stop. Contrary to the conventional method, where customers must wait in line for a very long time to withdraw cash or transfer funds, an ATM's main advantage is that it disburses cash at any time of day and does not need to be placed inside of a bank's premises but instead can be found in shops, malls, gas stations, etc. (Ekwueme, 2018).

Nevertheless, despite its widespread use, the ATM hasn't made much of a dent in the amount of cash in circulation (Ekwueme, 2018). A personal identification number (PIN)-identified consumer can order an automated teller machine (ATM) to disburse cash while also offering other services. The ATM acts as a computerised telecommunications tool that gives bank customers access to financial transactions in public places without requiring them to engage with bank employees in person (Onyekwelu & Nnabugwu, 2018). Ighoroje and Okoroyibo (2020) discovered that internet banking and automated teller machines (ATM) each had a favourable and considerable impact on return on equity (ROE). Therefore, the performance of Nigeria's deposit money institutions has significantly improved as a result of electronic payment channels. Furthermore, Joseph et al. (2021) found a positive and substantial correlation between ATM usage and the earnings per share and return on assets of Nigerian deposit money institutions.. Based on this backdrop, the following hypothesis is formulated:

Ho₁: Automated teller machines and client satisfaction with Nigerian banks do not substantially correlate.

Point of Sale (POS) and Performance

An electronic device known as a point of sales (POS) machine is used to make purchases of goods, particularly at lodging facilities, petrol stations, retail stores and supermarkets. According to Adurayemi (2016), a merchant service charge (MSC) is levied to the consumer for using the POS terminal, which enables receipt printing after payment for the items. All transactions made using POS terminals are subject to a fee known as the Merchant Service Charge (MSC), which is paid by the business. The total amount that a merchant may be charged for any POS terminal transaction is capped at N1,200.00 or 0.75% of the transaction value. This type of electronic payment can be used to pay for goods and services, check your account balance, and transfer money electronically at a particular point of sale. Customers can use the device to pay for their purchases of products and services without actually using cash. When a customer inserts his card into a POS terminal, he inputs his information, and if he is paying for products or services, at that time his account is debited, causing a transfer of funds to the service provider's account.

An electronic device used to pay for products and services is a point of sales (POS) machine or terminal. An electronic terminal used to pay for goods and services is referred to as a point of sales (POS) machine. It can be found in stores, motels, petrol stations, supermarkets and other places. The term "point of sale" designates the place where a card transaction is paid for, typically via a cash register or credit card terminal. The term "point of sale" designates the place where a card transaction is paid for, typically via a cash register or credit card terminal. Parties are allowed to purchase POS terminals from any manufacturer, provided that they up to this

point comply with the POS requirements in the Point-of-Sale guidelines (Muotolu & Nwadiolor, 2019). A transaction takes place at the point of sale (POS). The hardware and software needed to complete a transaction—the equivalent of an electronic cash register—is referred to as a terminal, PoS, or PoP. Through a user-friendly interface, a PoS controls the selling process. Receipts can be created and printed using the system. This premise is the foundation for the following hypothesis:

Ho₂: Points of sale and customer satisfaction in Nigerian banks have no discernible link.

Internet Banking and Performance

According to Agwu and Agumadu (2016), internet banking is the practise of performing electronic fund transfers via the internet, typically using personal computers (PCs), laptops, cellphones, and other devices with internet connection. Customers of Nigerian banks must sign up for internet banking in order to use this service. It is an electronic payment system that enables clients of banks and other financial institutions to carry out a variety of financial transactions through the website of the financial institution using electronic devices like mobile phones, iPads, laptops, and other similar ones in the comfort of their homes, offices, and other convenient locations (Agwu & Agumadu, 2016). According to Siyanbola (2013), it entails conducting financial transactions through the internet (www) utilising electronic equipment, like a computer, without going to a physical banking facility. According to Agwu and Agumadu (2016), internet banking is the practise of performing electronic fund transfers via the internet, typically using personal computers (PCs), laptops, cellphones, and other devices with internet connection. Customers of Nigerian banks must sign up for internet banking in order to use this service. It is an electronic payment system that enables clients of banks and other financial institutions to carry out a variety of financial transactions through the website of the financial institution using electronic devices like mobile phones, iPads, laptops, and other similar ones in the comfort of their homes, offices, and other convenient locations (Agwu & Agumadu, 2016). According to Siyanbola (2013), it entails conducting financial transactions through the internet (www) utilising electronic equipment, like a computer, without going to a physical banking facility. According to a study by Ohiani (2020), online crimes, excellent service, and embrace of innovation all significantly influence how competitive Nigerian banks are and how their consumers view online services. According to Hussein and Elyjoy's (2018) study, internet banking significantly improved the operational efficiency of commercial banks. According to Oyewole et al. (2013), the results of pooled OLS estimations show that e-banking has a two-year lag before having a beneficial impact on bank performance in terms of ROA and NIM, while the first year after adoption has a negative effect. Based on this premised, the following hypothesis is formulated:

Ho₃: Internet banking and client satisfaction with Nigerian banks have no discernible affiliation.

Empirical Review

The effects of Nigeria's commercial banks' performance under the country's cashless policy were studied by Abu et al. (2018). The primary data was collected using a structured questionnaire. The 210 management staff members of the eight commercial banks operating in Lagos Metropolis, Lagos, made up the population. The study used a survey approach. The study's population received a questionnaire from the complete population, but only 184 of them were fully returned. Both descriptive and inferential statistics were used to analyse the data.

Regression, Analysis of Variance (ANOVA), and multiple regression analysis are all inferential statistics. The study found that despite the fact that some of the fees are not entirely covered by bank revenues, a cashless policy will benefit banks' bottom lines..

Ajayi and Ojo (2016) used a sample of 370 Guaranty Trust Bank (GTBank) employees in Ekiti State, Nigeria, chosen in accordance with Taro Yemane's sample size calculation to study the impact of Nigeria's cashless monetary policy on the banking sector. Frequency tables and percentages were utilised to analyse the data, and the non-parametric Chi-square test was performed to test the hypothesis. The study's findings demonstrated that implementing a cashless policy has numerous advantages, including making transactions easier and easing congestion in the banking hall and lines in the banking hall. Using survey research, Ezeamama et al. (2014) examined the effects of the cashless policy on the Nigerian economy. Questionnaires were used to collect the data. According to the report, a cashless policy will improve the economy by reducing corruption and robberies involving cash, raising the standard of living for Nigerians, cutting the cost of operating banks, luring foreign investors, etc.

In 2013, Abaenewe et al. conducted an empirical analysis of Nigeria's cashless policy and bank performance. The return on equity and return on assets (ROE and ROA, respectively) were used to assess the banks' profitability performance. The traditional statistical method was used to do the analysis. The results demonstrated that the return on equity (ROE) of Nigerian banks has been positively and significantly boosted by electronic banking. In contrast, the study found that e-banking had no impact on Nigerian banks' return on assets (ROA). The National Control Centre in Osogbo was used as a case study in Akintayo et al.'s (2020) investigation of the effects of cashless policy on organisational performance. In this study, the survey research design was used. The study's 100 respondents were chosen at random from a pool of 100 people. The primary method of data collection was questionnaire. Descriptive statistics were used to analyse the data that were gathered. Through the examination of Pearson Product Moment Correlation, hypotheses were put to the test. The results showed a substantial correlation between Organisational Performance at the National Control Centre in Osogbo and the cashless policy.

3.0 Methodology

Research design: We used a quantitative study approach to look at how cashless policy channels affect bank performance. This study used a cross-sectional survey design as its quasi-experimental research method.

Population of the Study: With a focus on designated deposit-money institutions with branches in Port Harcourt, this article conducts empirical research at the bank level. 14 listed deposit money banks are present in Nigeria, according to data from the Nigerian stock exchange. Since they are all located in Port Harcourt, our population also includes these 14 listed companies.

Sample and Sampling: All 14 banks that make up our study population are included in our sample. As a result, the census sampling approach is used. Our cross-sectional data, however, would be gathered from 140 consumers, 10 of whom would be purposefully chosen from each of the 14 banks.

Method of Data Collection: This study relies on cross-sectional data, which would mostly be gathered from deposit money bank customers in Port Harcourt. At their designated location, each consumer would receive a hand-delivered copy of the questionnaire. A follow-up visit or text message reminder would come after this.

Validity and Reliability of the Instruments: The validity and reliability of the CPCPQ instrument were examined in a pilot study. From among the sampled banks, 14 employees of banks would participate in the pilot project. The major thesis results would not include the outcomes of the pilot study because they would be used to determine the construct validity and reliability of the research instrument. Additionally, CFA was used to validate statement items on all the variables under study and to assess the construct validity of the research instruments.

Method of Data Analysis: The acquired quantitative data were analysed here using a variety of inferential statistics and relative econometric techniques. The demographic bio-data of the thesis participants were analysed using descriptive statistics, which represented demographics using frequency, percentages, tables, and graphic representation. The mentioned hypotheses were then examined using multiple regressions.

4.0 Results and Discussion

It was analyzed that male participants constitute approximately 56.3% of our sample, while female participants constitute approximately 43.7%. For educational qualification, we can see that participants who have first degree (62.5%) constitute the largest study group, followed by participants who have second degree (18.8%), while participants who indicated others and those who have PhD respectively represent approximately 12.5% and 6.3% of our sample. None of the participants indicated WAEC/NECO as their highest qualification.

Confirmatory Factor Analysis (CFA)

Table 1: Measurement Model: Reliability and Validity for AR, PPS, BE and ST

Construct	Item	Loading	CR	AVE	A
ATM	<i>ATM1</i>	0.756			
ATM	<i>ATM2</i>	0.801	0.876	0.639	0.811
ATM	<i>ATM3</i>	0.822			
ATM	<i>ATM4</i>	0.818			
POS	<i>POS1</i>	0.768			
POS	<i>POS2</i>	0.874	0.873	0.635	0.858
POS	<i>POS3</i>	0.697			
IB	<i>IB1</i>	0.878			
IB	<i>IB2</i>	0.733	0.799	0.514	0.773
IB	<i>IB3</i>	0.759			
IB	<i>IB4</i>	0.412			
CS	<i>CS1</i>	0.866			
CS	<i>CS2</i>	0.854	0.920	0.741	0.885
CS	<i>CS3</i>	0.888			
CS	<i>CS4</i>	0.836			

Source: SMARTPLS Result Output

As evidenced in Table 1, the paper witnessed all the observed variables (statement items) loaded was high against their elemental factors (latent variables), owing to factor loadings ranging from 0.697 to 0.903. These values are all above the suggested minimum of 0.6, implying that they are valid measures of their latent factors. Also, for all cases, CR, AVE and Cronbach Alpha (α) are higher than their suggested threshold values of 0.6 respectively. All these imply that our data achieve convergent validity. For discriminant validity, we follow the usual procedure by

comparing the Cronbach Alpha (α) with the pairwise correlation coefficient between the constructs. Overall, our measurement analysis demonstrates that our study instrument's statement items for automated teller machines, points of sale, and internet banking are all properly and objectively assessed.

Hypotheses Testing

Table 2: Customer satisfaction with automated teller machines, points of sale, internet banking, and regression analysis

	R	R Square	Adjusted R Square	F	Unstandardized Coefficients (Beta)	Sig.	Durbin Watson
	.2383 ^a	.0568	.0267	1.8875			1.6602
Constant					2.6766	0.0002***	
Automated Teller Machine					.2045	.0206	
Point of Sales					-.0009	.9949	
Internet Banking					0.102	0.000	

Dependent Variable: Customer Satisfaction

Ho₁: Automated teller machines and client satisfaction with Nigerian banks do not notably link. Table 2 displays the correlation betwixt automated teller machines and client satisfaction scores. We therefore concentrate on the calculated ATM coefficient and its corresponding p-value in Table 2. It is preferred to use a 5% level of significance.

Decision rule: If the related ATM(0.026) p-value is less than 5% or 0.05, reject Ho₁. In any other case, don't reject "Ho"₁. According to Table 2, the beta for ATM is calculated to be 0.2045, and the p-value associated with it is 0.0206, which is less than 0.05. This suggests that the t-test exhibits statistical significance at the level of 5%. In light of the evidence provided by our data refuting Ho₁, we may infer that automated teller machines have a large impact on client happiness.

Ho₂: Points of sale and customer satisfaction at Nigerian banks do not meaningfully relate. Table 2 reports the association betwixt point of sale and customer satisfaction results. Hence, our focus is on the estimated coefficient on POS and its associated p-value in Table 2. Again, the 5% level of significance is preferred.

Decision rule: If the POS(-0.0009)-related p-value is less than 5% or 0.05, reject Ho₂. Otherwise, don't disregard "Ho"₂. According to Table 2, the estimated beta on PPS is -0.0009, and the p-value that corresponds to it is 0.9949, which is substantially higher than 0.05. This suggests that the t-test does not reach the 5% level of statistical significance. We therefore draw the conclusion that point of sales has no discernible impact on consumer satisfaction because our data do not support Ho₂.

Ho₃: Internet banking and bank customer satisfaction in Nigeria don't considerably interact with one another. Table 2 presents the findings about the association between online banking and customer satisfaction. The calculated coefficient on IB and its corresponding p-value are what we are concentrating on in Table 2, therefore. Once more, it is recommended to choose a 5% level of significance.

Decision rule: If the p-value connected to IB(0.000) is less than 5% or 0.05, reject H_{o3} . If not, don't reject " H_{o3} ". According to Table 2, the estimated beta on IB is 0.102, and the p-value that goes along with it is 0.000, which is less than 0.05. This suggests that at the 5% level, the t-test is statistically significant. In light of the fact that our statistics do not contradict H_{o3} , we can infer that internet banking significantly affects consumer satisfaction.

4.2 Discussion of Findings

The performance of automated teller machines is substantially and favourably influenced, and as a result, metrics like client satisfaction are improved..

Automated teller machines (ATMs) were not substantially related to bank customers' happiness in Nigeria, according to hypothesis one (H_1). Regression analysis results showed a correlation between ATM and CS that was favourable. The ATM and CS had a poor connection, as indicated by the R and R^2 values of 0.2383 and 0.0568, respectively. This demonstrates that an automated teller machine's favourable effect on customer satisfaction. As shown in Table 2, the estimated beta on ATM is 0.2045, and the corresponding p-value is 0.0206, which is less than 0.05. This suggests that the t-test is statistically significant, showing statistical evidence against " H_{o1} ," according to the results. Therefore, we conclude that automated teller machines have a substantial association with client satisfaction, rejecting hypothesis one. Additionally, the R^2 (= 0.0568) is low when compared to the output of the Durbin Watson Statistic ($DW = 1.6602$), which is near to 2, indicating that the association between ATMs and customer satisfaction as defined in our model is legitimate. The results of our research are in line with Adu's (2016) findings regarding automated teller machines, according to which these devices have a beneficial impact on deposit money banks' performance in Nigeria. The study makes it clear that ATM services have a considerable positive impact on the growth of manufacturing SMEs in Nigeria's Anambra state. The findings of this study support those of Onyekwelu & Nnabugwu (2018), who came to the same conclusion on the impact of ATM use on MSMEs' performance. The use of ATM services considerably and positively boosted MSMEs' transactions in Nigeria, according to a study by Ali & Emenike (2016). Although using ATMs has a number of advantages for business owners, the growing rise of ATM fraud is the main cause for concern.

Point of Sale and Performance

On the other hand, Hypothesis 2 (H_{o2}) contends that point of sales has little bearing on how well customers are treated by Nigerian banks. A positive link between POS and CS was found by the results of beta regression analysis. R and R^2 values of 0.2504 and 0.0627, respectively, indicated a tenuous correlation between POS and CS. This demonstrated how the point of sale is a useful tool for CS. As shown in Table 2, the estimated value of the beta for POS is 0.0783, and the p-value that corresponds to it is 0.4168, which is higher than 0.05. This shown that the t-test is not statistically significant, showing that there is no evidence to refute H_{o2} . Due to the fact that we do not reject hypothesis 2, we can draw the insignificant relationship between point of sale and customer satisfaction among Nigerian banks. Table 2's R^2 (= 0.2504) indicates that the estimated model fits the data reasonably well. Although the calculated model only accounts for only 3% of the observed cross-sectional variation in customer satisfaction, the R^2 of 0.0328 indicates that it is incredibly poorly fitted. Point of sale (POS) has a negligible effect on customer satisfaction, according to the facts about the relationship between performance and POS. The outcome suggests that the performance of Nigerian banks is significantly impacted by point of sale. The findings are in line with the theories put forth by Agwu et al. (2014), who claimed that the

performance of Nigeria's deposit money institutions is negatively and insignificantly impacted by point of sale.

Internet Banking and Performance

The third hypothesis (H3) claimed that internet banking does have a substantial relationship with consumer satisfaction in Nigerian banks. Regression analysis results showed a favourable connection between IB and CS. The IB and CS had a modest association, as indicated by the R and R² values of 0.2383 and 0.0568, respectively. This demonstrates how CS is an advantageous function of IB. As shown in Table 2, the beta on IB is predicted to be 0.102, while the p-value that goes along with it is 0.000, which is less than 0.05. As a result, the t-test is inferred to be statistically significant, providing proof that Ho₃ is false. We therefore disproved hypothesis 3, coming to the conclusion that internet banking profoundly impacts customer happiness. Additionally, the R² (= 0.0568) is very low compared to the Durbin Watson Statistic (DW = 1.6602), which produces a result near to 2, indicating that the association between IB and customer satisfaction as stated in our model is legitimate. The outcome suggests that online banking significantly affects how well Nigerian banks perform. Our findings are in line with those of Adeyemi et al. (2014), who discovered that customer happiness with internet banking may be predicted considerably. Onyekwelu & Nnabugwu (2018) came to the conclusion that the performance of MSMEs in Anambra State is positively and significantly impacted by internet/online banking services. In this approach, it is evident how important online banking is to both customer satisfaction and business performance.

5.0 Conclusions

The performance of Nigerian banks was examined in this study in relation to the impact of cashless policy channels. The goal of the study was to offer empirical proof of the impact of Nigeria's cashless policy channels on bank performance, including ATM, POS, and online banking. For those who work in company development as well as those who supply financial and mobile services, the study has three important implications. To boost banks' performance and client happiness, they should first offer ATM and Internet banking services. In this regard, mobile service providers and banks should work together to create applications for banks that are more user-friendly, safe, and effective so that banks can make payments whenever and wherever they want. Customer satisfaction is not impacted by the point of sale. The study also found that although the cashless policy channels are beneficial and will generally enhance the service provided to clients and businesses in the banking industry, there are knowledge gaps regarding automated teller machines, point of sale systems, internet banking, etc. that limit the use of digital banking technology in Nigeria. The findings on the components of cashless policy channels, such as automated teller machines, points of sale, and internet banking, have a major and negligible impact on the performance of Nigerian banks. In light of this, the study therefore concludes that:

- i. Automated teller machine in banks in Nigeria will enhance customer satisfaction.
- ii. Point of sales has no impact on customer satisfaction, thus not significant.
- iii. Internet banking in banks in Nigeria will enhance customer satisfaction.

5.1 Recommendations

- 1) Banks should spend money on ATMs that are simple to use, provide privacy, are cost-effective, and let users make deposits.
- 2) Nigeria needs a coordinated marketing campaign across all of its platforms to get towards a cashless society. The chamber of commerce, institutions involved with banks, and financial institutions must take the lead in such a cooperative marketing effort.
- 3) If management wants to boost the performance value of their banks, they should focus more on initiatives that will enhance their ATM services because doing so would raise customer happiness and spending.
- 4) If management wants to boost profitability, they should focus more on initiatives that would enhance their banks' point-of-sale services.
- 5) The customers should also be made more aware of the use of mobile banking applications and security guidelines through various constructive methods.
- 6) To maintain system efficiency, there should be uniformity in the technology used and an improvement in customer relations.

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