

Society's Growing Preference for Cashless Transactions Over Cash

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To Link this Article: <http://dx.doi.org/10.6007/IJARBS/v14-i9/22781> DOI:10.6007/IJARBS/v14-i9/22781

Published Date: 30 September 2024

Abstract

The shift towards a cashless society is gaining momentum globally, driven by technological advancements, convenience, and the increasing preference for digital transactions over cash. This trend is fueled by factors such as the proliferation of smartphones, the rise of e-commerce, and the availability of various digital payment platforms like credit cards, mobile wallets, and contactless payment systems. Cashless transactions offer enhanced convenience, speed, and security, reducing the risks associated with carrying cash, such as theft or loss. Moreover, cashless payments provide a transparent and traceable record, which helps in reducing tax evasion, fraud, and other illegal activities. Businesses also benefit from reduced cash handling costs and improved transaction efficiency. However, the move towards a cashless society is not without challenges, including concerns about data privacy, cybersecurity threats, and the digital divide that may exclude certain groups, such as the elderly or those without access to banking services. Despite these challenges, the benefits of a cashless society, including the potential for economic growth and the simplification of financial transactions, continue to drive its adoption. Governments and financial institutions are increasingly promoting cashless policies, seeing them as a means to modernize economies and enhance financial inclusion. As society increasingly prefers cashless options, the future is likely to see continued innovation and expansion in digital payment solutions, further diminishing the role of cash in everyday transactions.

Keywords: Cashless, Cash, Society, Technological, Economic

Introduction

Cashless refers to a financial system or mode of transaction where physical money such as coins or banknotes but instead the exchange of information is through transactions (Ragaventhara, 2016). The ease of conducting financial transactions is probably the biggest motivator to go digital. The rise of technology has given birth to a multitude of cashless options, transforming the way individuals and businesses conduct financial transactions from

traditional cash-based transactions to digital alternatives (Abdulkadir and Jane, 2022). The study develops a conceptual framework to understand the workings of a cashless economy.

The rise of Online Banking has further propelled the shift toward cashless transactions. Internet banking platforms empower users to manage their Finances, Transfer Funds, Pay Bills, and make Purchases, all from their computers or mobile devices. The convenience of these digital interfaces has contributed to the reduced dependency on physical cash for everyday financial activities (Tee and Ong, 2016). Contactless payments, another key trait of Cashless Transactions, Leverage Technologies like Near Field Communication (NFC). With a simple tap or wave of a Card or Smartphone near a contactless payment terminal, users can swiftly complete transactions. This method not only quickens the payment process but also reduces the physical interaction between the consumer and the seller (Shy, 2020). Digital payment apps have taken place for all-purpose tools for Cashless Transactions. Services like PayPal, MAE, Atome, and others facilitate peer-to-peer payments, online purchases, and the splitting of bills among friends. These apps bridge the gap between traditional banking systems and the evolving needs of a digitally connected society (Teng et al., 2021).

Issue Recognition

In the era of rapid technological advancement, the global landscape is witnessing a significant shift towards cashless transactions, with digital payment methods becoming increasingly prevalent in everyday financial activities. Many factors could be contributing to this issue. Some of the examples are:

a) Vulnerability to Theft

Primarily, robbery could be the biggest factor. To further support my statement, the researchers have researched a robbery case that happened in Kuantan, on 15 February 2023. "KUANTAN: A man who had just made a cash withdrawal of RM150,000 from a bank, lost it all when he was mugged along Jalan Beserah here yesterday." (Alagesh, 2023). Individuals can significantly reduce the risk of losing a substantial amount of money during a robbery by opting for cashless transactions and carrying their credit cards. The use of credit cards, as opposed to carrying large sums of cash, offers a heightened level of security. In the unfortunate event of a robbery, the financial loss incurred is limited to the amount available on the credit card, providing a layer of protection for one's financial assets. Moreover, individuals gain convenience as they don't need to carry cash around.

b) Security

Another crucial concern is security. Debit cards and cash can be stolen with ease, but the thief at least needs to know the PIN. Bank biometrics and mobile payments are even more secure. The sophisticated analytics found in banks enable customers to have greater control over their personal spending. Managing a household budget is now much simpler than it was because payment data is preserved (Filipiak, 2020). While there is currently no cashless society, many economists predict that at least a few cashless societies will emerge soon due to consumer preferences, business competition, bank profit-seeking, and government policies that encourage cashless transactions (Duignan, 2023).

c) Numerous Disadvantages to Using Cash

There are definitely advantages to using cash, particularly if you tend to overspend. "When we're targeting certain areas, we're looking to have them feel that they purchase a little bit more," says Steven Donovan, who regularly assists clients in taking the initial steps toward responsible money management as a financial coach with Even Steven Money. "That's when I'm going to recommend cash." However, cash has drawbacks just like anything else in life, some of which you might not have considered (VanSomeren, 2020).

d) Electronic Purchases aren't An Option

Furthermore, using cash to make payments can keep you out of electronic transactions, which make up a sizable portion of our economy. Whether you're making an online purchase or a phone reservation for a hotel room, electronic transactions are a part of modern life. You will be forced to make different decisions if you must rely on money. But cards give you the same amount of control over online purchases. You can keep track of pending transactions and timestamps to keep tabs on your finances. Additionally, you receive the bonus of fraud protection services (The Staff, 2019).

e) Spending More, Saving Less?

On the flip side, while cash may present challenges in terms of spending, it also poses difficulties when it comes to saving. The tactile aspect of cash, often referred to as the 'cash-in-hand' phenomenon, can create a psychological barrier to saving. Individuals may find the allure of having tangible money in their possession tempting, leading to increased spending rather than saving. Furthermore, saving with cash necessitates more deliberate decision-making because it lacks automated features like digital banking's recurring transfers and round-up savings. According to a recent study titled "Compared to Dematerialized Money, Cash Increases Impatience in Intertemporal Choice (Duclos, 2019), it was discovered that individuals who were offered cash amounts were more likely to accept the smaller amount upfront than those who were offered the same amounts on a credit card when given the option of receiving more money later or now. Simmons observes that "Most people won't take cash that's been given as a gift and deposit it in the bank, because they will likely spend it on something," and those in cash-based industries might suffer even more from the immediate nature of physical money. Siwec discovers that people in construction, food service, and other cash-based jobs "often will spend a large majority of this money on lifestyle expenses and will not save or invest it." The main problem is that, whereas direct deposit deposits money directly into your bank account, cash requires an additional, inconvenient step to get there. Cash therefore forces you to be more frugal with your spending, but saving takes even more discipline (Skinner, 2019).

Information Engagement

Individual

a) The Influence of Financial Technology Literacy on Individual Shopping Culture Changes

People are quickly adopting fintech services due to various advantages such as practicality, convenience, and speed. Financial innovation through fintech is also believed to improve household financial literacy and financial inclusion. An empirical study conducted by Maune et al (2020), found that financial inclusion had a positive effect on economic growth. Regardless of this phenomenon, fintech has the potential to fundamentally change the business environment and economy incomparable to other startups. Fintech also plays an

important role in changing consumer behavior and expectations. Fintech is good for the economy. This reduces transaction costs and increases customer satisfaction. This is a source of revenue for cashless payment service providers. This is a time-saving transaction that improves economic growth and wealth. A study by Kim and Kim (2019), found a positive relationship between technological advancements and changes in consumers' online shopping culture. Their research shows that technological readiness and the benefits and convenience a service offers drive the intention to continue using that service. Therefore, it has enormous potential to change consumers' online shopping culture. Knight (2017), highlights that if fintechs can provide more financial services, online transaction behavior will reach a wider community. The presence of financial technology is also changing individual online shopping behavior in Muslim countries. A study by Bieber (2019), found that financial inclusion has increased, especially among women in Muslim countries.

b) Convenience for the User

Mobile banking allows you to conduct banking transactions using banking applications installed on your mobile phone. Online banking can be done through mobile phones as well as other devices such as tablets, laptops, and personal computers. Almost all banking transactions, except cash transactions, can be made through internet banking or mobile banking. Internet banking and mobile banking have made it possible to conduct cashless transactions without the need to queue at banks almost 24 hours a day, except for daily downtime for system updates (Zhou et al., 2021). The increase in Internet and mobile banking use has been driven by the development of online businesses (Ho et al., 2020). All previous studies examined the use of internet banking and mobile banking based on consumers' intention to use delivery channels. Consumers' education level, income Jimenez and Diaz, (2019), financial knowledge Andreou and Anifantaki (2021), and Internet banking interface design Sharma et al (2020), have been identified as drivers of banks' Internet adoption intentions.

Perceived usefulness, mobile banking application interface design, customer experience Chaouali et al (2019), digital divide Klyton et al (2021), digital literacy, and perceived usage benefits Elhajar and Wayda (2019) drive the adoption of mobile banking. This was my intention. All these studies did not examine the impact of cashless payment tools on Internet and mobile banking. Cashless payments have been found to drive the growth of online and mobile banking (Kachathan and Chalchotchuang, 2020; Aduba, 2021). Urhi et al (2021), found that mobile banking facilitates the development of cashless payments.

c) Financial inclusion and accessibility

In the discussion of a cashless society, financial accessibility and inclusion have taken centre stage. Financial inclusion theories highlight the significance of access to financial services for economic growth and poverty reduction (Demirguc-Kunt et al.,2014). The study "Digital Financial Inclusion: A Gateway to Sustainable Development" by (Tay, Tai, & Tan, 2022) emphasises the importance of digital financial services in promoting financial inclusion. Financial inclusion can be improved by using electronic payments, specifically mobile payments, especially in developing nations where access to traditional banking services is limited (Mahbubur, 2018). Electronic payments offer financial services to those who are unable to access traditional banking services for a variety of reasons, such as location, a lack of documents, or low income (Demirguc-Kunt et al., 2014). This is one of the key benefits of

electronic payments. By enabling access to financial services via a mobile phone, which is frequently the only device available to many individuals in developing countries, mobile payments have been found to enhance financial inclusion (Mahbubur, 2018).

Additionally, it has been demonstrated that mobile payments minimize the cost of financial services, increasing their accessibility to people with lower incomes (Mahbubur, 2018). Electronic payments, however, raise the possibility that people without access to essential infrastructure or technology could become even more financially excluded (CNAAN, 2021). Additionally, some people could be reluctant to accept electronic payments because they have privacy and security concerns. This could leave some groups behind in the transition to a cashless society, creating a digital divide. To solve these issues, a lot of efforts have been launched to increase financial accessibility and inclusion in a cashless society. For example, the World Bank has advocated for the establishment of digital identity systems to enhance access to financial services (Demirguc-Kunt et al., 2017). Furthermore, governments and financial institutions have made progress in expanding access to technology and infrastructure as well as financial literacy (Ramkumar, 2017).

Ultimately, even while electronic payments have the potential to advance financial inclusion and accessibility, it is imperative to ensure that they do not worsen or compound already-existing imbalances. Governments, financial institutions, and technology providers must ensure that everyone has access to the necessary infrastructure and technology and that privacy and security concerns are addressed and must work together.

In conclusion, the literature review's information and the application of theories related to financial inclusion imply that the shift to a cashless society can have a favorable effect on accessibility and financial inclusion. For those who have trouble accessing traditional banking services, electronic payments—especially mobile payments—offer financial services. But issues like the digital divide and security/privacy issues need to be addressed. The implementation of digital identity systems, financial literacy initiatives, and stakeholder participation are crucial measures to guarantee that the shift towards cashless societies is equitable and beneficial for every person, irrespective of their circumstances or background.

d) Perceived Security

The idea of perceived security has psychological roots. A consumer is prepared to use or modify a product when they are willing to accept that it is safe. Perceptions of security can be characterized by a wide range of perspectives. These metrics gauge the level of assurance that users of mobile payment systems have regarding the security of their financial and personal data during transactions. For example, if the system has a high level of security, the consumer will use the cashless payment option. The ability of a website to safely transfer sensitive information has been described as perceived security (Salisbury et al., 2001). According to Bast (2011), the primary barrier and ongoing source of worry for NFC-based mobile payment systems in restaurants is the security of their extensive use. Thus, the way that users behave when using technology has been greatly influenced by their perception of security.

Researchers Jiaxin Zhang et al (2019), examined the relationship between a customer's desire to try a new product or service and their perception of security. They

concentrated on alleged security flaws and mobile payment systems. Perceived control, perceived security, and interface design served as the study's independent factors. Continuous use, on the other hand, was the dependent variable. According to research findings, continued service is directly and strongly impacted by one's perception of security. This indicates that consumers' decisions to use or not use mobile payment services throughout time have been significantly influenced by their views of security. Because of this, mobile payment service providers ought to take security into account elements relating to private and financial data to encourage more customers to choose cashless payment options.

Society

a) Reduced Crime Rates

Cashless transactions play a significant role in decreasing crime rates nowadays, especially in Malaysia. Not only are cashless transactions convenient and faster but there is a widespread belief that they could contribute to lower crime rates because people will not carry around large sums of money everywhere. Consequently, there will be fewer opportunities for crimes such as pickpocketing and robbery to occur. Corruption is also curbed with cashless transactions, as the transaction trails are far more extensive nowadays. Firstly, it is evident that cash transactions pose the greatest challenge for law enforcement to uncover due to their difficulty in tracing. When examining various forms of financial transactions, each holds a different level of effectiveness in contributing to corrupt activities.

According to Goh et al (2019), the cashless policy entails the implementation of electronic procedures to record all transactions, thereby establishing a robust database for audit tracking. For example, when comparing cheques to credit card payments, cheques are considered more challenging to trace. Secondly, this is because a cheque exists in a physical form rather than an electronic format like a credit card. So the question is, does the elimination of cash and the adoption of cashless payments impact corruption? Indeed, the audit trail process has the potential to reduce corruption by promoting transparency and accountability. This is achieved as funds are no longer routed through cash, which is prone to diversion (Jatau & Dung, 2014). Thus, you can see here clearly why cashless implementation is important to reduce crime.

b) The Systematic Approach of Cashless Payments for Business

Cashless methods play a crucial role in providing systematic financial support for business owners. They simply need to offer a QR code to their customers for transactions through scanning. This benefits both sellers and customers, as transactions become faster and easier to execute. Hence, according to Jia (2022), the growth in smartphone usage has significantly contributed to the advancement of cashless systems, as customers can now make payments through their smartphones. Utilizing smartphones for payments enhances both the effectiveness and efficiency of customers. For instance, customers can pay the exact amount, eliminating the need to wait for the seller to provide change, and making the process more systematic and faster. In the 21st century, the trend of cash transactions has waned, especially in the business field, where some establishments exclusively accept cashless transactions. By embracing cashless payments, as mentioned earlier, crimes such as robbery can be reduced.

Additionally, cashless payments can impact the world's economy. The adoption of a cashless system in society can boost economic growth, especially in the business field. Nowadays, most sellers prefer cashless payments in their establishments to encourage adoption and to minimize physical touch, even in the post-COVID-19 era. This cashless payment process benefits sellers by avoiding issues like a lack of change or the acceptance of fake money from customers. According to Hasan et al (2012), implicitly identified the investment potential in the cashless payment sector. Consequently, cashless transactions diminish expenses associated with paper-based processes, resulting in reduced operational costs and the realization of economies of scale for merchants. This, in turn, can facilitate business expansion and increase investment in the economy, thereby contributing to overall economic growth.

c) Reliable

Everyone is familiar with the term “e-wallet” or “QR code” since the adoption of e-wallets to society has gone wide. Other than that, every mobile banking application requires a QR code to scan or to be scanned as a way to make payments or transactions through the application. Cashless payment methods offer a broad range of options, enabling consumers to conduct transactions or make payments using methods such as credit transfers, electronic wallets, direct debits, credit cards, and charge cards. Specifically, credit transfers empower consumers to move funds from their savings accounts to another account using Internet banking or mobile banking applications (Hway Boon Ong, 2022). On the other hand, cashless transactions offer reliability as they eliminate the need to carry physical wallets brimming with cash. Instead, a compact wallet or just a smartphone is sufficient. An electronic wallet, also referred to as a mobile or digital wallet, represents an online payment technology that enables transactions through smartphones and provides users with a secure means to store their funds. (Rathore, 2016). This proves why the use of cashless is more popular nowadays than cash since it is very convenient and reliable plus it is also faster to perform transactions.

In addition, the concept of e-wallets has been around since the late 1990s, but they were not widely recognized, particularly among Malaysians who were unfamiliar with their usage. However, in recent times, payment methods like Apple Pay, Grab Pay, Lazada Wallet, PayPal, and Touch 'n Go have gained popularity, becoming widely accepted alternatives (Rohit Gupta & Sudhir Kumar Sahu, 2021). The existence of many more e-wallets proves how reliable a cashless to society is these days. Thus, you can see in the graphic below the comparison of the implementation of cashless technology for selected Asian Countries in 2015 and 2019 according to Bank of International Settlement statistics. It explained how much cashless usage in 2019 compared to 2015, especially among Malaysians. (Refer to Figure 1).

Media Industry

The Impact of Going Cashless on the Media Industry could be Elaborated as Follows

a) Online Banking

Customers adopted cashless payment methods because they were economical (Mukhopadhyay, 2016), efficient (Kaur et al., 2020), and convenient (Jebarajakirthy and Shankar, 2021) (Hway Boon-Ong, 2023). There are numerous ways to define online banking. Online banking is the process by which a bank provides its clients with information and services through electronic wired or wireless channels, according to (Daniel, 1999). Online and electronic banking, also known as e-banking or internet banking, are sometimes used

interchangeably in the financial industry. Three distinct websites—informational, communicative, and transactional—are used by the Central Bank of Malaysia (Bank Negara Malaysia, BNM) to classify online banking (Shanmugam and Balachandher, 2003). Given the predicted rapid growth of online banking in Malaysia in the near future (Poon, 2008), numerous researchers have tried to examine the country's adoption of online banking. Ten factors have been found by Poon (2008), to be important for Malaysia's adoption of online banking services (Tan, 2010).

Not only that, online banking offers the advantages of speed, ease, and 24/7 access to financial services (Cheng, Lam, and Yeung, 2006; Abu Shanab and Pearson, 2007). Within the framework of this research, online banking is defined as an internet portal that allows users to access and utilise various banking services (Teo and Tan, 2000; Pikkarainen, Pikkarainen, Karjaluoto and Pahlila, 2004). According to Chou and Chou (2000), and Ainin, Lim, and Wee (2005), among the services offered are bill payment, credit card advance requests, balance inquiries, fund transfers, check ordering, and check processing. These include ease of use, features availability, accessibility, privacy, security, and image of the bank, as well as fee and charge structures, design, content, speed, and security. In a similar vein, Suganthi et al (2001), discovered seven important factors influencing Malaysians' use of online banking. Accessibility, reluctance, expenses, bank trust, security worries, convenience, and usability are some of them. Conversely, Sohail and Shanmugham (2003), pointed out that factors such as ease of use, convenience, security concerns, awareness, attitude toward change, costs associated with computers and internet access, and trust in one's bank are all equally significant (Tan, 2010).

b) E-commerce

The buying and selling of products and services over the Internet is known as e-commerce or electronic commerce. It includes mobile shopping and encrypted online payments, among many other data, systems, and tools for online buyers and sellers. The majority of companies with an online presence manage logistics and fulfillment, carry out e-commerce marketing and sales, and manage their online stores and/or platforms (Bigcommerce, 2023).

(i) Quicker Purchasing Procedure

Consumers can shop for their desired items in less time. They can quickly look through a large number of products at once and purchase what they want. Customers who shop online can find things that are either unavailable in their area or available in physical stores that are far away (Amazon, 2023). Harith, for instance, is a customer who visits a store to purchase a washing machine. He searches and finds that the product he needs is not there. After logging on to a well-known online store, he locates the washing machine. Even better, it can be delivered to his house and is available at a special offer price (Amazon, 2023). For many consumers, e-commerce saves the day in this situation. They go online, search, receive a prompt response, and can purchase the item without delay. E-commerce benefits include the ability to select from a large selection of products and arrange for order delivery. Finding an item, reading the description, and adding it to your cart all happen very quickly. The buyer is satisfied in the end since he got the item and didn't have to travel far (Amazon, 2023).

(ii) Creation of Stores and Product Listings

When a customer searches for an item, what they see is a product listing. One benefit of e-commerce that is intended for the seller is this. One advantage of operating an online business is being able to customize your product listings once they are created. The finest aspect? All you need to create a listing is your product name or codes such as EAN, UPC, ISBN, or ASIN, and it only takes a few minutes (Amazon, 2023). The product category, price, shipping cost, number of images, description, and delivery date are all optional for sellers. So, you can inform the customer of a lot of information about the product in a single step. Making your listing demonstrates to potential buyers what you own (Amazon, 2023).

(iii) Cost Reduction

Cost savings is one of the main benefits of e-commerce for businesses, which keeps sellers engaged in online sales. A lot of sellers must spend money maintaining their physical stores. Additional upfront expenses for things like rent, maintenance, store design, inventory, etc., might be required. Many times, sellers don't get the expected profits and return on investment (ROI) even after spending money on labour, services, stock, and upkeep (Amazon, 2023). What distinguishes this from internet retailers? - A seller can spend less on store maintenance by using an online store. Compared to a physical store, an e-commerce store is less expensive and needs less capital (Amazon, 2023). For individual and small scale sellers who wish to make money but lack the necessary start-up funds, this is also a great opportunity (Amazon, 2023).

(iv) Reasonably Priced Marketing and Advertising

Sellers don't need to invest a lot of money in marketing their goods. There are numerous quick and inexpensive ways to market online in the e-commerce space. E-commerce platforms are visual platforms where vendors can effectively showcase their goods. For instance, Amazon sellers can add videos, infographics, and high-resolution photos using advertising tools (Amazon, 2023). DIY features can be used to create customized deals, coupons, A+ content, and sponsored ads, giving life to dull, boring text. Customer insight tools are available on many e-commerce marketplaces and can be used for customer analysis. This page typically displays all orders, including those that are pending, unshipped, sent, cancelled, and returned (Amazon, 2023).

(v) Flexibility for Customers

The ability of sellers to offer customers flexibility is a significant benefit of e-commerce for businesses. The availability of goods and services around the clock is one highlight. The seller can therefore offer his item whenever and wherever he pleases (Amazon, 2023). Consumers are present on e-commerce platforms at all times, and because of the conveniences offered, they are likely to make additional purchases there. Free shipping (often with a minimum cart value), expedited order delivery, special offers and discounts, and subscription benefits are some examples of these conveniences (Amazon, 2023).

Option Consideration

Electronic payment (e-payment) offers a more expedient and cost-effective means of moving funds over paper-based payments (Bank Negara, 2010). Malaysia is heading towards an unstoppable shift – the cashless society. Research indicates numerous benefits in making this transition. It's crucial for key players in the country, especially policymakers and regulators,

to thoroughly examine any challenges emerging from the cashless society. To address these issues, policymakers and regulators should establish a comprehensive framework, adapting economic and policy structures to enhance the efficiency of the cashless system. This proactive approach will ensure that Malaysia stays on track with the latest global trends (Ishak, 2020).

In this era of advanced technology, every aspect of society, including individuals, government entities, and media studies, must unavoidably shift from traditional cash transactions to the modern space of cashless transactions. As an individual, the author supports a gradual reduction in our reliance on cash, recognizing that while the majority of transactions can be seamlessly conducted through cashless means, in some situations, we still need physical money. After all, cash is a fundamental part of our financial system. The shift towards a cashless society offers unbeatable accessibility in daily affairs, particularly for those individuals who carry a heavy wallet everywhere they go. The frustrations attached to waiting for change and cautiously organising physical money become a thing of the past. In essence, cashless payment signifies a shift in consumer behaviour, wherein individuals can decrease their reliance on physical currency for transactions by embracing electronic transfer methods like digital cash and e-wallets. (Ragaventhara, 2016; Mukaria, 2013), in his study on the "Plastic Money as a Cashless Payment System," contends that the use of credit cards, once considered a luxury, has transformed into a necessity.

Beyond the immediate conveniences, the move towards a cashless society has been driven by the increasing use of the internet and gadgets worldwide. People's desire for quick, traceable, and flexible payments has led to the financial and banking sectors providing the necessary infrastructure for cashless transactions. Studies indicate that many researchers see a cashless society as a shared vision for the future of payment systems worldwide. The key benefits of establishing a cashless society include accelerated economic growth and a reduction in the potential for financial crimes. Traditional paper money is seen as a hindrance to the economy, often associated with corruption, illegal fees, and fraud. The successful realization of a cashless society hinges on individuals' willingness to adopt payment technologies. It's important to note that this study has limitations, as it relies on a single source for perspectives on cashless societies. Future research opportunities may include exploring the factors influencing the adoption of a cashless society, examining policy models, and addressing challenges in developing a non-cash community (Hidayah et al., 2023).

Conclusion

According to the report, charge cards, credit transfers, and direct debit payments will have a big impact on how often people use mobile banking apps near in the future. In the short term, credit card and credit transfer payments have a big impact on the monthly value of transactions made through Internet banking. Except for direct debit, however, the shift from cash to cashless payments did not eventually lead to the emergence of online and mobile banking services. This study makes two useful contributions. First, direct debit makes it easier for customers to make payments for online purchases via internet and mobile banking, which is advantageous for already-existing banks. Additionally, physical debit cards are the preferred method for making offline cashless payments. Second, charge card payments would probably become less popular as the use of mobile banking increased.

The shift from a cash-based to a cashless society offers numerous economic, social, and environmental benefits. It promotes economic efficiency by reducing the costs associated with cash handling and transportation, while also enabling faster transactions and seamless global trade. Cashless systems enhance financial inclusion by providing digital access to banking for underserved populations, fostering innovation in financial services such as mobile wallets and micro-financing. These systems also contribute to reducing crime, as digital payments lower the risks of robbery and theft, while increasing transparency, which helps combat black market activity and corruption. Governments benefit from improved tax compliance, as digital transactions are easier to monitor, reducing tax evasion and contributing to a more formalized economy.

Health and safety are also bolstered in cashless societies by limiting the physical handling of money, which can spread germs, and by reducing the risks of fraud and counterfeiting. Environmentally, the decline in cash use minimizes the demand for paper, ink, and cash transportation, reducing the ecological footprint. The convenience of cashless payments supports the growth of e-commerce and allows businesses to reach global markets more easily. Furthermore, the data generated from digital transactions enables businesses to offer personalized services and governments to optimize public services. In emergencies, cashless systems provide a resilient means for continuing commerce, even when physical cash becomes inaccessible. Despite the many benefits, it is important to address concerns around privacy, digital exclusion, and the security of digital infrastructures for a balanced transition.

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