

The Implementation of Cashless Payment Transactions for Consumers at Koperasi Kolej Profesional Mara Bandar Penawar

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Abstract

This study examines the constraints of existing cashless payment methods and proposes effective remedies for Koperasi Kolej Profesional Mara Bandar Penawar (KKPMBPKT). By employing qualitative research methodologies such as interviews, this study examines user behavior, identifies significant concerns, and assesses the efficacy of cashless transactions. The study also used the Technology Acceptance Model (TAM) to evaluate customers' attitudes regarding the utility and user-friendliness of cashless systems. Additionally, it conducts a SWOT analysis to pinpoint the advantages, disadvantages, potential benefits, and potential dangers linked to the implementation of these systems in the cooperative. The findings suggest that despite constraints related to technology adoption and operational efficiency, the switch to cashless payments can enhance transaction speed, enhance record accuracy, and perhaps boost customer satisfaction by providing convenience and security. Implementing strategic measures such as optimizing user interfaces and streamlining transactions can enhance the effectiveness of cashless payment systems. This study offers significant findings on the adoption of cashless payment systems in a cooperative environment, providing a comprehensive examination of the operational, technological, and user behavior factors that impact this shift.

Keywords: Digital Cash, Cashless, e-Wallet, QR Pay, Payment

Introduction

Established in 2010, KKPMBPKT (Koperasi Kolej Profesional MARA Bandar Penawar Kota Tinggi Bhd) operates under the Suruhanjaya Koperasi Malaysia (SKM), offering services like digital goods, self-service laundry, grocery stores, and food stores to approximately 800 students and staff. Managed by 12 Board Members and 5 managers, mainly students and academics, it reports average annual sales exceeding RM 100,000. The use of physical cash

at KKPMBPKT has led to poor transaction recordkeeping and financial integrity issues, with reports of theft, lost cards, unpaid bills, and delayed sales collections due to the manager's absence. An interview with KKPMBPKT staff highlighted these problems, emphasizing the need for research to improve cash collection processes. The research aims to identify gaps in the current cashless transaction system at KKPMBP, propose appropriate interventions for cashless management, and measure the impact of these interventions. The study seeks to enhance consumer experience and data management at KKPMBPKT, involving all residents of Kolej Profesional MARA Bandar Penawar. It includes interviews to the various background of users, providing insights into improving cashless transactions at the college.

Literature Review

Technology Acceptance Model (TAM) will be used during the research. The model was first proposed by Davis in 1986 and has since been modified and expanded. It is based on the premise that the adoption and use of a technology depends on two key factors, which perceived usefulness and perceived ease of use. Perceived usefulness (PU) refers to an individual's belief that using a technology will enhance their job performance or make their life easier. Perceived ease of use (PEOU) refers to an individual's perception of the ease of use of a technology.

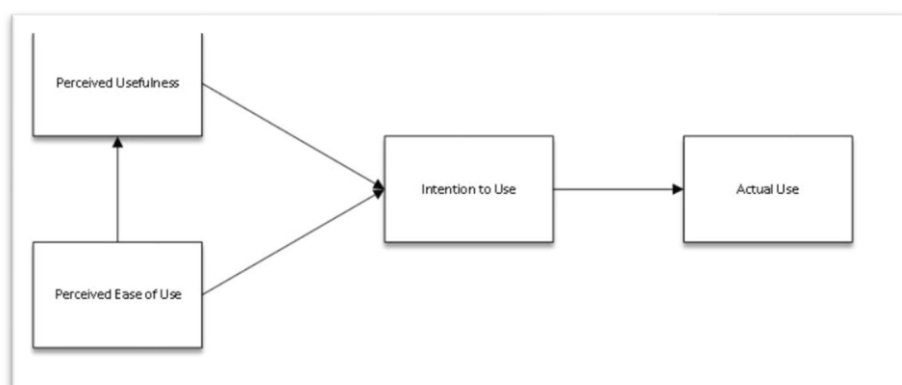


Figure 2.1 TAM Framework Model, Source (Marikyan, D. & Papagiannidis, S. (2023))

Materials and Methods

The research design includes a qualitative examination of the transition to cashless systems. Preliminary data collection establishes a fundamental understanding of existing payment systems and attitudes. The intervention phase involves implementing digital payment mechanisms like QR codes and e-wallets in sectors such as laundry services and the Cooperative Store, with data gathered through interviews and observations to capture user experiences and interactions.

Thematic analysis is used to analyze qualitative data from interviews and observations, identifying key themes and insights. Ethical considerations are maintained throughout, ensuring participant confidentiality and the adaptability of the research design.

Semi-Structured Interviews

The interview has been used to gather flexibility to explore individual experiences and perceptions about the transition to cashless payment systems.

Data Analysis Procedure

Thematic analysis is used to systematically identify, analyze, and report patterns within the data, ensuring a rigorous and impartial examination of user experiences and the effectiveness of the cashless payment systems. This methodology captures the complexity of implementing cashless payment systems in an educational organization, providing a thorough understanding of the transformation and offering insights for effective execution.

Results and Discussion

After Intervention

After the intervention of cashless payment implementation at Koperasi Kolej Profesional MARA Bandar Penawar Kota Tinggi Berhad, the collection and management of financial transactions underwent significant improvements. The shift to an online, cashless system brought about several key changes in how transactions were handled, recorded, and integrated with broader business operations like stock and inventory management. See Figure 2.2 for the record of daily sales.

| Date | Cash Income | E-Wallet Income | E-Wallet Transaction | Total Income (Cash + E-wallet) |
|------------|-------------|-----------------|----------------------|--------------------------------|
| 2024-01-01 | 0.00 | 4.00 | 2 | 4.00 |
| 2024-01-02 | 0.00 | 12.00 | 6 | 12.00 |
| 2024-01-03 | 0.00 | 10.00 | 5 | 10.00 |
| 2024-01-04 | 0.00 | 8.00 | 4 | 8.00 |
| 2024-01-05 | 0.00 | 186.00 | 51 | 186.00 |
| 2024-01-06 | 0.00 | 112.00 | 31 | 112.00 |
| 2024-01-07 | 0.00 | 66.00 | 20 | 66.00 |
| 2024-01-08 | 0.00 | 70.00 | 21 | 70.00 |
| 2024-01-09 | 0.00 | 72.00 | 19 | 72.00 |
| 2024-01-10 | 0.00 | 126.00 | 35 | 126.00 |
| 2024-01-11 | 0.00 | 184.00 | 51 | 184.00 |
| 2024-01-12 | 0.00 | 210.00 | 58 | 210.00 |
| 2024-01-13 | 0.00 | 212.00 | 59 | 212.00 |

Figure 2.2 Record of Daily Sales (Source : Author)

Based on Figure 2.2, the sales data obtained from the payment system indicates that there were no cash transactions recorded during the period from 1 February 2024 to 12 February 2024. All income during this time period was derived only from e-wallet transactions. KKPMBP offers two payment options: cash and ewallet. However, based on the given date, only payment through the ewallet method has been received. There is a notable trend towards favoring electronic or digital payments over cash transactions during the documented period. The e-wallet transactions exhibit significant activity, with a considerable volume of daily transactions and fluctuating levels of generated revenue.

Findings

The shift from physical currency to electronic payment systems at Koperasi Kolej Profesional MARA Bandar Penawar (KKPMBP) exemplifies many patterns that align with current study on this topic. KKPMBP participants encountered several instances where currency was not accepted by machines, especially in automated settings such as laundry services. This highlights the importance and dependability of digital payment methods, which are not constrained by the physical state of cash. Klapper and Singer (2017), observed that digital

approaches can enhance operational efficiency and customer satisfaction, especially in situations where the handling of cash presents logistical difficulties.

The security issues related to physical cash, such as the potential for theft and loss, are also reflected in the benefits of digital transactions mentioned in academic research. Utilizing digital methods for handling funds provides a more secure alternative, in line with the findings of Martia et al. (2020) regarding the improvement of security and transaction speed through digital platforms. The varying user preferences for cash and digital

payments, as well as the emphasized significance of digital literacy activities at KKPMBP, demonstrate the wider requirement for education and familiarization in order to encourage the adoption of digital payment systems. The research conducted by Por et al. (2023) provides support for this claim, highlighting the significance of focused educational initiatives in facilitating the shift towards digital payments.

The influence of digital payments on user behavior and perspectives at KKPMBP, where participants transitioned from reluctance to acceptance, acknowledging advantages such as enhanced security and ease, aligns with the conclusions reached by Galang and Ramdhan (2023). Their suggestion is that introducing digital payments at an early stage can make transitions and acceptance easier, especially in educational settings.

Conclusion

The research conducted in Koperasi KPM Bandar Penawar Kota Berhad revealed the urgent need for the adoption of digital cashless payments. This is essential for ensuring the sustainability and effectiveness of tracking and tracing payment records. By leveraging the insights provided by the data, future strategies can be developed and improved.

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