Effect of the application of cashless policy on the sales performance of SMEs in Enugu Metropolis, Nigeria

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Abstract
The cashless policy was introduced in Nigeria by the Central Bank of Nigeria (CBN) in December 2011 and was kick-started in January 2012. The main aim of this study was to evaluate the effect of the application of the cashless policy on the sales performance of SMEs in Enugu metropolis. The specific objectives were to: ascertain the extent to which the use of Point of Sale (POS) systems increases the sales volume of SMEs in Enugu metropolis; examine the extent to which the adoption of mobile banking as a means of payment enhances sales volume of SMES in Enugu metropolis; and ascertain the extent to which the use of e-cash wallet enhances sales volume of SMEs in Enugu metropolis. Three null hypotheses which align with the research objectives were formulated to guide the study. The descriptive survey research design was adopted with a questionnaire as a data collection instrument. The survey involved 100 respondents who are staff of selected SMEs operating within Enugu metropolis. Results of the data analysis show that the use of Point of Sale systems has positively increased the sales volume of small and medium businesses in Enugu metropolis; the adoption of mobile banking as a means of payment has positively enhanced the sales volume of SMEs in Enugu metropolis; and the use of e-cash wallet has positively enhanced sales volume of SMEs in Enugu metropolis.

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Introduction

In the primitive era, economic systems were characterized by the barter system, in which goods were exchanged for goods. The barter system had the challenge of double coincidence of wants, which resulted in unnecessary delays before transactions were completed. Thus, argues that in a barter system, there must be double coincidence before two people can trade – one must want exactly what the other has to offer, when and where it is offered so that the exchange can occur. This shortcoming of the barter system made it necessary to develop an acceptable medium of exchange that permits the value of goods to be assessed and services rendered in terms of the intermediary. As a result of economic development, business relationships among people and efficient economic functioning of economy money emerged as an accepted medium of exchange.

Money is anything that serves as a medium of exchange. In Nigeria, the most common medium of exchange is cash (naira notes and coins) which is why Nigeria is seen as cash-based. Reinforced this statement when they opined that in Nigeria, cash is the main mode of payment and a large percentage of the population is unbanked. Although cash as a means of payment confers certain benefits to economic agents its cost to the economy is enormous. Apart from this, the use of cash has other ill consequences such as fraud, robberies, corruption, leakage of funds, and mismanagement of public funds among others.

Described Nigeria as a cash-based economy, considering the size of retail and commercial activities transacted in cash as well as the value of these transactions as a share of income per capita. In 2011, it was estimated that 99% of over 215 million customer transactions in Nigerian banks were cash-related (i.e.; through ATM and over-the-counter) and this was valued at about N2.1

trillion or 5% of GDP (Central Bank of Nigeria).

Poor banking culture, lack of rural banking, and poor infrastructural facilities have led to an increase in the volume of cash transactions to date. It is estimated that an average Nigerian transacts about N65 in cash out of every N100 income earned. This cash-based system is at a significant cost to the Nigerian economy.

In April 2011, the CBN introduced the cashless policy in Nigeria intending to address some of the attendant ills of cash-based economies. According to Ajayi and Ojo the prerequisite for the development of a national economy is to encourage a payment system that is secure, convenient, and affordable. It is however believed by economic stakeholders in Nigeria that the adoption of cashless policy will enhance the speedily marketability of goods and services in the country. Noted that the introduction of technology-based payment systems has significantly increased the convenience experiences of customers and has enhanced the marketing performance of organizations in Nigeria. He revealed that making payments for drinks in restaurants and hotels these days is being made easy as customers make payments through Point of Sale terminals (POS) and mobile money solutions among others.

Also, Chijioke and Nwala (2014) [11] revealed that the introduction of a cashless policy has significantly enhanced the marketability of products and services in Nigeria. Studies showed that Point of Sale (POS) increases sales volume in the sense that it makes purchasing easy as people are willing to shop more due to the ease and fast process of payment for goods purchase. When an individual goes shopping with cash, he is likely to buy mainly on the limit of the cash he has at that moment. This is different when another individual shops with his Master Card or Visa Card via the POS machine. The latter will purchase more goods than the former. This on the other hand increases the volume of sales sold by the business venture and in the long run, affects the sales margin of businesses which could be possible if the application of a cashless policy was withheld. Therefore, this study examines the application of the cashless policy on the marketing of goods in Enugu metropolis.

Despite the significant benefits of the adoption of a cashless policy, many small businesses in Enugu state are still far from adopting e-payment technologies for their businesses. According to Adeoti and Oshotimehin the general increase in the adoption rate of electronic payment instruments and the rate of growth of adoption of POS is still low compared with other e-payment platforms such as ATMs. Among the factors identified as responsible for this low adoption of POS in Nigeria is lack of adequate infrastructure that is required to run POS, irregular network connectivity hence cannot be trusted, and security of network communications.

Another issue of concern in the adoption of technology in business organisations is security; this has been stressed in an article on the challenges to the efficient use of POS terminals in Nigeria (Adeoti, 2013) [2]. The author asserted that the efficient use of POS terminals in Nigeria will reduce the security challenges arising from fraud, and robbery occasioned by withdrawal of cash by unsuspecting customers from the bank. The importance of security of communication over the network as the network becomes available to the public is also of immense importance, just like security on smart cards a device used in a POS terminal has become a critical issue as various transactions involving the exchange of data and those through the internet must be well protected. These problems if unchecked and unattended, obviously create limitations for businesses to maximize technology in improving their sales margin. The significance of low adoption of POS is one of the reasons customers are discouraged from using it due to fear of unauthorized access to their accounts. This slows the marketing of goods which in turn creates low sales turnover for businesses.

Moreover, several studies in the literature have examined the impact of cashless systems on business success. However, these researchers have paid little or no attention to the influence of the cashless system on the marketing of goods in the Enugu metropolis. Hence, the broad objective of this study was to evaluate the effect of the application of the cashless policy on the sales performance of SMEs in Enugu metropolis. Other specific objectives were to: ascertain the extent to which the use of Point of Sale (POS) systems increases the sales volume of SMEs in Enugu metropolis; examine the extent to which the adoption of mobile banking as a means of payment enhances sales volume of SMES in Enugu metropolis; and ascertain the extent to which the use of E-cash wallet enhances sales volume of SMEs in Enugu metropolis. To effectively achieve the research objectives, the following research hypotheses were formulated to guide the study.

H_{o1}: The point of Sale (POS) system does not significantly increase the sales volume of SMEs in Enugu metropolis.

H_{o2}: The adoption of mobile banking as a means of payment does not significantly enhance the sales volume of SMES in Enugu metropolis.

H_{o3}: Use of E-cash wallet does not significantly enhance the sales volume of SMEs in Enugu metropolis.

Literature Review

Cashless Policy

The concept of cashless policy of recent has gained more attention from scholars and economists. Generally, scholars argue that a cashless economy is not the complete absence of cash, it is an economic setting in which goods and services are bought and paid for through electronic media. According to Woodford (2013) [37], a Cashless economy is defined as one in which there are assumed to be no transaction frictions that can be reduced through the use of money balances, and that accordingly provide a reason for holding such balances even when they earn rate of return. In a cashless economy, how much cash is in your wallet is practically irrelevant. You can pay for your purchases by any one of a plethora of credit cards or bank transfers (Roth, 2010) [31].

Chijioke and Nwala (2014) [11] observed that developed countries of the world, to a large extent, are moving away from paper payment instruments toward electronic ones, especially payment cards. Some aspects of the functioning of the cashless economy are enhanced by e-finance, e-money, e-brokering and e-exchanges. These all refer to how transactions and payments are affected in a cashless economy (Moses-Ashike, 2011) [23]. Argue that increased usage of cashless banking instruments strengthens monetary policy effectiveness and that the current level of e-money usage does not pose a threat to the stability of the financial system. However, it does conclude that central banks can lose control over monetary policy if the government does not run a responsible fiscal policy.

Roth, (2010) [31] opined that electronic payment has a significant number of economic benefits apart from their conveniences and safety. These benefits when maximized

can go a long way in contributing immensely to the economic development of a nation Automated electronic payments help deepen bank deposits thereby increasing funds available for commercial loans – a driver of all overall economic activity. According to Echekoba and Ezu (2012) [14], efficient safe and convenient electronic payment carries with them a significant range of macroeconomic benefits. While the high level of cash transactions creates an opportunity for the electronic payment industry, it also imposes a cost on local economies. Cash has to be minted, securely transported, counted and reconciled, kept secure and maintained for re-use time and time again. The per-payment cost is high, and will always remain high whereas the costs of electronic systems are fixed. Once the infrastructure has been built, the costs per transaction are very low. When cardholders use their cards at the point of sale they are helping to keep money in the banking system (Echekoba and Ezu, 2012) [14].

Stated that a cashless economy does not mean total elimination of cash as money will continue to be a means of exchange for goods and services in the foreseeable future. It is a financial environment that minimizes the use of physical cash by providing alternative channels for making payments. According to Eboh (2011) [12], the cashless economy policy of the CBN is designed to provide mobile payment services, breakdown the traditional barriers hindering the financial inclusion of millions of Nigerians and bring low-cost, secure and convenient financial services to urban, semi-urban and rural areas across the country. This has however become an albatross to some elites, the poor, the uneducated and traders. Valentine Obi, Managing Director/CEO of e-Tranzact International Plc, a leading provider of mobile transaction services defines a cashless society as one where no one uses cash, all purchases are made by credit cards, charge cards, cheques and direct transfers from one account to another. In other words, it refers to the widespread application of computer technology in the financial system. According to him, in the Western world today, almost 97% of transactions are done without physical cash being exchanged and this has greatly reduced cost, corruption and money laundering (cited by Ajayi, 2013) [4].

Electronic payment channels

It should be noted that as of now there are already some forms of cashless transactions that are taking place in Nigeria. Some of the electronic payment channels in Nigeria today include point of sales, mobile banking, and e-cash wallets, among others.

1. Point of Sale (POS)

Point-of-sale (POS) systems are computerised cash registers which are traditionally used by retailers to ring up customers' purchases. In another definition, point of sale refers to the time at which a cardholder and a merchant complete a transaction. This is present in both online purchases as well as transactions carried out in traditional brick-and-mortar stores (Marijn, Roel and Ronald, 2011) [22]. The point of sale (or POS) in retail industries uses a combination of software as well as hardware. This may include a manual or electronic cash register, scanners, weighing scales, touch screen terminals, and a wide variety of other bits and bobs.

In the narrowest sense, it means that the terminal that sits beside the cash register to process credit and debit cards, and any gift cards you accept at your business. More often, when you speak of a POS machine, you will be thinking about the whole terminal, which has an informative screen and the ability to handle every payment type (Rajneesh, 2016) [30].

Besides the use of sales data from a POS system for marketing purposes, time-consuming administrative activities like ordering, customer management, stock control, order tracking, and satisfying regulations can also be reduced. Recently, newly developed POS systems also provide the ability to connect to other systems across company boundaries, thereby enabling what we call chain digitisation. With these POS systems, automatic information exchange with wholesalers and suppliers for the exchange of, e.g., sales, orders, product, and customer information is possible. By making use of this information from retailers, product suppliers can adapt production and supply of goods to the actual demand, thereby reducing the bullwhip effect (Lee et al., 2009) [21].

2. Mobile Banking

Mobile banking can be described as using the internet as a delivery mode for the provision of services like opening a deposit account, mobile bill payment, online transfers, online withdraws, and in fact, any other online banking transaction. Amu and Nathaniel (2016) [6] defined mobile finance (e-finance) as the provision of financial services and markets using mobile communication and computation. Mobile banking has also been defined by Mawutor (2014) [24] as the medium of using mobile devices, like the Internet, wireless connections, networks, ATMs, phones and cell phones in banking services. According to Abaenewe, Ogbulu, and Ndugbu, (2013) [1], mobile banking is the conduct of banking business electronically which involves the use of information communication technology to drive banking business for immediate and future goals.

Mobile Banking System is seen to be an innovative service delivery mode that offers diversified financial services like cash withdrawal, funds transfer, cash deposits, payment of utility and credit card bills, chequebook requests, and other financial enquiries. Similarly, sees mobile banking as an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. That is automated delivery of new and traditional banking products and services directly to customers through mobile, interactive communication channels. E-banking generally implies a service that allows customers to use some form of computer to access account-specific information and possibly conduct transactions from a remote location like home or workplace.

Consequently, e-banking has become popular because of its convenience and flexibility, and also transaction-related benefits like speed, efficiency, accessibility and so on. He described e-banking as the term used for the new age banking system, it could also be called online banking and it is an outgrowth of PC banking. That is banking which includes the systems that enable financial institution customers, Individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet or mobile phone. Furthermore, mobile banking is referred to as the process of using the internet as a delivery mode for the provision of services like opening a deposit account, mobile bill payments, and online transfers. These services can either be provided by the banks having physical offices or by creating a website and providing services through that or services can be provisioned through a virtual

bank as well. The internet is used as a strategic and differentiating channel to offer high-valued financial services and complex products at the same time or improved quality at lower costs without physical boundaries and to cross-sell products like credit cards and loans.

For many consumers, mobile banking means 24-hour access to cash through an automated teller machine (ATM) or Direct Deposit of paychecks into checking or savings accounts. But mobile banking involves many different types of transactions. According to Simpson and Fox and Beier, Mobile fund transfer (EFT) is a component of mobile banking that uses computer and mobile technology as a substitute for checks and other paper transactions. EFTs are initiated through devices like cards or codes that let you, or those you authorize, access your account (Fox and Beier).

3. E-Cash Wallet

E-wallet is a type of electronic card which is used for transactions made online through a computer or a smartphone. Its utility is the same as a credit or debit card (Eboh 2011) [12]. An E-wallet needs to be linked with the individual's bank account to make payments. According to Echekoba and Ezu (2012) [14], E-wallet is a type of pre-paid account in which a user can store his/her money for any future online transaction. An E-wallet is protected with a password. With the help of an E-wallet, one can make payments for groceries, online purchases, and flight tickets, among others. E-wallet has mainly two components, software and information. The software component stores personal information and provides security and encryption of the data. The information component is a database of details provided by the user which includes their name, shipping address, payment method, amount to be paid, credit or debit card details, etc (Ibrahim, 2009). To set up an E-wallet account, the user needs to install the software on his/her device and enter the relevant information required. After shopping online, the E-wallet automatically fills in the user's information on the payment form. To activate the E-wallet, the user needs to enter his password. Once the online payment is made, the consumer is not required to fill the order form on any other website as the information gets stored in the database and is updated automatically (Julien and Raymond, 2009) [19].

Sales Volume

Sales volume is the number of units sold within a reporting period. This figure is monitored by investors to see if a business is expanding or contracting. Within a business, sales volume may be monitored at the level of the product, product line, customer, subsidiary, or sales region. This information may be used to alter the investments targeted at any of these areas (Brigham, 2010).

According to Brigham (2010), a business may also monitor its break-even sales volume, which is the number of units it must sell to earn a profit of zero. The concept is useful when sales are contracting so that management can determine when it should implement cost reductions. This can be a difficult concept to employ when there are many different products, especially when each product has a different contribution margin.

Sales volume variance (also known as sales quantity variance) occurs when the actual quantity of units sold deviates from the standard or budgeted quantity of units sold during a specific period. It may be defined as the difference between the actual units sold at standard price and standard units sold at standard price (Cushman, 2011).

If the actual quantity of units sold is more than the budgeted quantity of units sold, the sales volume variance would be favourable and if on the other hand, the actual quantity of units sold is less than the budgeted quantity of units sold, the variance would be unfavourable. A favorable sales volume variance indicates higher actual revenue than the standard revenue which usually translates into higher profit. An unfavourable variance, on the other hand, means lower actual revenue than the standard revenue which usually translates into lower profit for the business.

The possible causes of favourable sales volume variance include reduction in competition, decrease in the price of the product, elimination of trade restrictions previously imposed by the government, improper or inaccurate budgeting etc. The possible causes of unfavourable sales volume variance include an increase in competition, an increase in sales price, a decrease in demand for the product in question because of the launch of another product by the company, product obsolescence because of change in taste and fashion, trade restrictions imposed by the government, serious issues with the product that could harm customers' trust and improper or inaccurate budgeting etc (Cushman, 2011).

Development of E-Payment Systems in Nigeria

E-payment systems are the instruments, organizations, operating procedures, information and communication systems employed to initiate and transmit payments from a payer to a payee and for settling payments that is, transfer money (Imafidon, 2013). The E-payments channels are the apparatus used to safely and efficiently transfer monetary value in exchange for goods and services as well as financial assets (Oloruntoyin and Olanloye, 2012).

E-payment systems are becoming popular among banks and non-bank financial institutions in Nigeria, a survey conducted by Interware Consulting, reveals that, ATM Point of sales (POS), are still evolving and that various banking services rendered by Nigerian banks are mostly limited to traditional services. Ebulu (2008) asserts that in the banking industry, customers are gradually coming to terms with the arrays of products vaunted by banks in their bid to offer convenient banking services to their customers. Daily, depositors are inundated with an array of service options which they are encouraged to embrace as they canvass ease access to cash as well as deepen their relationship with the banks and of course, the fad is paying off. Through the e-banking payment channels, customers may deposit cash, transfer money, recharge GSM prepaid accounts and credit postage stamps among others.

According to Atteh (2012), payment systems are a related collection of structure of instruments for settling payments and transactions or part thereof. Although the system works together, each of the instruments shares attributes of being exchangeable with one another through substitution and convertibility mechanisms. Uwah (2011) examines the various categories of payment systems ranging from cash-paper-based instruments, paperless or electronic instruments, and other payment instruments. Paper-based instruments include cheques, bank drafts, debit cards, credit cards, and traveler's cheques. Although cheque is a major payment instrument in Nigeria, they are not popular for day-to-day payment because of the high incidence of dud cheques and forgeries, a safe financial system is thus hedged on effective

payment infrastructure which is core to the financial stability of a country (Ibrahim, 2009) [17].

In his contribution, Tijani (2013) [34] observes that payment systems are accessible and can be measured in terms of their reliability, transaction costs and risks. The reliability of the payment system can be increased if all factors surrounding the efficiency of the electronic payments could be upgraded to prevent system breakdown and area of financial risks which may arise in the form of liquidity risk, credit risk and systematic risk. In line with the objective of the payment system vision 2020, the (CBN) adopted payment system policies that will help to migrate from a cash-based economy to an e-payment-driven economy.

E-Commerce Adoption and its Influence on Business Performance

Several proactive drivers have been identified as a rationale for business organizations to adopt e-commerce. Proactive reasons include the expansion of a company's marketplace to national and international markets. With minimal capital outlay, a company can quickly locate more customers, the best suppliers, and the most suitable business partners worldwide enables companies to procure material and services from other companies, rapidly and at less cost and shortens or even eliminates marketing distribution channels, making products cheaper and vendors' profits higher helps small businesses compete against large companies and enables a very specialized niche market. Identify four major e-commerce drivers, both internal and external, in terms of their relevance to export marketing strategy. "Internal e-commerce drivers include product online transferability and e-commerce assets, and external drivers include e-commerce infrastructure and demand for e-commerce."

However, Papazoglou and Ribbers argued that several organizations are often in a dilemma on the need for adoption of any form of innovation, and e-commerce is still new hence they see the creation of a website as an onerous task. These factors include firm size, organizational structure, and quality of human resources; technologies which are the internal and external factors significant to the business; others include: the environment which expresses where the firm conducts its business such as industry, competitors, government, etc. Within the wider spectrum, issues such as Technology competence, firm size, firm scope, consumer readiness, and competitive pressure were significant factors in the adoption of e-commerce. In the same vein affirmed that innovation culture, infrastructure, finance, knowledge and skills, compatibility and level of security were the significant factors in the adoption of e-commerce.

The importance of e-commerce in achieving business organizations' stated objectives in a globally competitive environment cannot be overemphasized. Electronic commerce over the Internet has offered important advantages including a more efficient way to conduct business transactions for buyers and vendors alike. Affirmed that with e-commerce buyers can access information instantly, and even virtually test the product, which in traditional marketing concepts would be time-consuming. He said that e-commerce has changed the way of delivering the product, consumers can have more choices than they could easily locate otherwise and the transactions can be made 24 hours a day, from almost any location. E-commerce provides better access and communication with customers, which can be used for a better understanding of customer needs and finally offering a product which fully satisfies those and enables individuals to work at home and to do less travelling, resulting in less road traffic and lower air pollution.

At the same time, companies can expand their product line, offering additional interactive or physical services around the core product. E-commerce gives new possibilities for distribution of the product and international expansion with relatively lower costs and allows lower inventories by facilitating pull-type supply chain management. This allows product customization and reduces inventory costs.

In line with the above-mentioned literature, it can be deduced that the adoption of e-commerce by Nigerian business organizations may reduce transaction costs, improve service operations, expand the business base, better understand the needs of foreign customers, increase profit levels, reduce communication barriers, and quickly transfer products. E-commerce can also help Nigerian business organizations acquire information about particular customer needs and foreign competitors from foreign distributors through e-commerce all over the world 24/7.

Theoretical Framework

The theoretical framework of this study is the Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI) Theory. TAM is one of the models that have been developed to provide a better understanding of the usage and adoption of information technology. It is presently a prominent theory used in modelling technology acceptance and adoption in Information systems research. Fred Davis in 1985 proposed the TAM in his doctoral thesis at the MIT Sloan School of Management. TAM is an information systems theory that models how users come to accept and use a technology that will encourage economic growth. The model suggests that when users are presented with a new technology, several factors influence their decision about how and when they will use it. The factors are; perceived usefulness (PU) and perceived ease of use (PEOU). According to TAM, one's actual use of a technology system is influenced directly or indirectly by the user's behavioural intentions, attitude, perceived usefulness of the system, and perceived ease of the system.

Innovation Diffusion Theory seeks to explain how, why, and at what rate new ideas and technology spread through cultures. This theory was developed by Everette Rogers (a professor of rural sociology), who popularized the theory in his 1962 book Diffusion of Innovations. He said diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Rogers explained the process of Innovation diffusion as one which is dictated by uncertainty reduction behaviour amongst potential adopters during the introduction of technological innovations. Innovation Diffusion Theory (IDT) consists of six major components: innovation characteristics, individual user characteristics, adopter distribution over time, diffusion networks, innovativeness and adopter categories, and the individual adoption process. Arguably the most popular of the six components of IDT centres on the characteristics of the innovation itself. After analyzing a variety of previous innovation diffusion studies, Rogers singled out the following five characteristics of innovations that consistently influence the adoption of new technologies.

Empirical Review

Andy, Len and Paul (2014) [8] examined the impact of the cashless system on user's perception and retail marketing performance in Nigeria's retail sector. The study used a survey instrument (questionnaire) and randomly selected 550 samples to generate data on the impact of cashless systems on user perception and retail marketing performance in Nigeria. The study found that the two measures of the cashless system have a positive influence on the measures of retail marketing performance; while consumers perceive that the new system will be disadvantageous to them in the short run but beneficial in the long run. The study concluded that the cashless system is in line with international banking best practices as it will reduce the high cost of business operations for retail businesses in terms of learned employees, and provision of security and will boost retail investment opportunities in Nigeria.

Emengini and Alio (2014) [16] examined the development and challenges of the cashless policy in the Nigerian economy and determined its effect on business transactions and financial reporting. The sample size was drawn from the population in South East of Nigeria. Questionnaire and oral interview were the main research instruments; analysis of data and test of hypotheses were carried out using Z–test statistics and Chi-square. Main findings in the study include; Stakeholders in the financial statements of corporate entities place more credence on financial statements emanating from cashless-based economies because of its effect on reduced tax evasion, inflation and revenue leakages, easier to comply with auditing standards and effective performance of business transactions. Challenges to adequate and standard infrastructure, low level of literacy and poor banking habits were revealed. There was also this perceived increased cost on the part of vendors while disposing of their wares which would have been avoided if the transaction was by cash.

Edesiri and Promise (2013) [15] carried out a study on the use of electronic means to settle financial transactions among individuals, private and corporate bodies are fast growing. The study therefore unearths an analysis of the problems and prospects of e-transaction in Nigeria. To achieve this, a sample size of 350 was used and two hypotheses were formulated for the study and the chi-square statistical tool was adopted in testing the hypotheses. The results revealed that there is a significant relationship between e-transaction in promoting economic growth but this has not succeeded in the right direction as it is still at its infant stage and the attitude of government, corporate bodies and individuals poses a problem to e-transaction they are enslaved in fears resulting from insecurity, technical problems, anonymity, cultural problems and so on.

Looked at the challenges, benefits and prospects of a cashless policy and their study found that some of the challenges that can hamper the success of a cashless policy are lack of electricity power supply and poor information technology infrastructure to mention but a few. On the other hand, their study revealed that a cashless policy will promote economic growth provide banks with more liquidity for lending to needy sectors and contribute to eliminating corruption if the right infrastructure and trust are instituted.

Julien and Raymond (2009) [19] examined the adoption model for the retail sector and proposed eight organisational aspects as determinants of technology adoption: centralisation, complexity, size, status (i.e. independent/affiliated), sector, assertiveness, rationality, and interaction of the organisational strategy. These determinants were identified in earlier research on technology adoption in small organisations. Technology adoption in this case concerned the use of hardware (business computing, POS systems and telecomputing) and software. In the study, 79 firms in food, hardware and clothing were assessed through questionnaires and semi-structured interviews. Clothing firms and large firms were less apt to use POS systems, while firms that had a longer organisational planning horizon used POS systems more often.

Yao Chin, Nhu-Hang and Kuo-Sung (2015) carried out a study on the role of POS systems in process change and strategy change: A situated change perspective. The research model was developed based on the literature (strategic alignment model and situated change perspective) and inputs from the restaurant industry and IT experts. The data of the study were collected from observation and face-to-face interviews with both business and IT personnel from 10 restaurants in Taiwan. The findings of the study provide a comprehensive view of the ways processes change once restaurants implement POS. We also figure out the impact of this change on IT strategy and service strategy. This study's results shed new light on IT implementation. Researchers need to look at IT in different ways and suggest suitable solutions for practitioners.

Kareem, Owomoyela and Oyebamiji, (2014) examined the impact of e-commerce on business performance with particular reference to the selected supermarkets in Ibadan metropolis. The study sample was made up of 8 Supermarkets. A structured questionnaire designed by the researchers was used to collect data from each operator and 5 staff respectively, totalling 48 respondents. Data analysis was conducted with simple regression analysis. The result showed that e-commerce adoption has a significant impact on service operations, cost operation reductions and profit levels. It was concluded that the adoption of e-commerce by Nigerian supermarkets will reduce transaction costs, improve service operations, expand the business base, better understand the needs of foreign customers, and increase profit levels.

Yasin-Ali and Ann (2014) investigated the adoption level of e-commerce in small Ethiopian enterprises and showed that their business requirements and perceived benefits of e-commerce are related to business growth. The findings show that small enterprises in the country have low levels of e-commerce utilization due to: (1) the scarcity of infrastructure development and expertise in the area, and (2) barriers created by government policy and bank regulations. However, this study found a good understanding of the business opportunities and benefits that could be exploited from e-commerce.

Methodology

The study adopted the descriptive survey research design method. What informs the researchers' use of the survey method is that the study gathers both factual information and the opinions of respondents. The data for this study were gathered from the primary source. It was sourced through a 5-point Likert scale questionnaire. The survey involved 100 employees of selected SMEs in 5 different sectors within Enugu Metropolis and they are as shown in the table 1.

Table 1: Population Distribution of the Study

S/No	Name of Industry	Number of workers	Number of SMEs visited	Total
1	Pharmacy	2	8	16
2	Restaurants	4	5	20
3	Barbers shop	4	6	24
4	Fashion designers	4	6	20
5	Cyber café	2	10	20
	Total			**100**

A pilot study was conducted among five (5) SMEs in the study area. The Cronbach alpha was employed to establish the reliability of the instrument which gave alpha value of 0.82. Hence the instrument was deemed reliable.

Data Analysis and Results
Descriptive Statistics

Table 2: Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	17	19.8	19.8	19.8
	female	69	80.2	80.2	100.0
	Total	86	100.0	100.0	

***Source*:** Field Survey, 2024

Table 2 shows that 17[19.8%] of respondents are male while 69 [80.2%] of the respondents are female, this indicates that there were more female salespersons than males in the study

Table 3: Age of Respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 21 years	23	26.7	26.7	26.7
	21-25 years	54	62.8	62.8	89.5
	26-30 years	7	8.1	8.1	97.7
	31-35 years	1	1.2	1.2	98.8
	above 35 years	1	1.2	1.2	100.0
	Total	86	100.0	100.0	

***Source*:** Field Survey, 2024

Table 3 indicates that respondents who are below 21 were 23 [26.7%], respondents who are between the ages of 21 and 25 were 54 [62.8%], respondents who are between the ages of 26 and 30 were 7 [8.1] respondent who are between the age of 31 and 35 were 1 [1.2%] while only 1(1.2) respondent was above 35years. This indicates that the majority of the sales are between the ages of 21 and 25 years.

Table 4: Marital Status of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	81	94.2	94.2	94.2
	Married	4	4.7	4.7	98.8
	Divorced	1	1.2	1.2	100.0
	Total	86	100.0	100.0	

***Source*:** Field Survey, 2024

Table 4 shows that 81(94.2%) of the respondents are single, 4(4.7%) of the respondents are married, and 1(1.2%) of the respondents are divorced. This indicates that the majority of the respondents are single salespersons

Table 5: Educational qualification of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	WASC/GCE/NECO	65	75.6	75.6	75.6
	NCE/ND	8	9.3	9.3	84.9
	Bachelor's degree/HND	11	12.8	12.8	97.7
	Masters	2	2.3	2.3	100.0
	Total	86	100.0	100.0	

***Source*:** Field Survey, 2024

Table 5 shows that 65(75.6%) of the respondents are WASC/GCE/NECO holders, 8(9.35%) of the respondents are NCE/ND holders, 11(12.8%) of the respondents are Bachelor degree/HND Holders, 2(2.3%) of the respondents are Masters Holders. This indicates that the majority of the respondents are WASC/GCE/NECO Holders.

Test of Hypotheses
In this section, we use the ordinal regression to test the three null hypotheses.

Hypothesis One: Point of Sale (POS) system does not significantly increase the sales volume of SMEs in Enugu metropolis.

Table 6: Parameter Estimates

		Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[pos_sv = 1.50]	6.222	1.471	17.891	1	.000	3.339	9.105
	[pos_sv = 2.00]	7.632	1.494	26.088	1	.000	4.703	10.561
	[pos_sv = 2.50]	8.214	1.516	29.368	1	.000	5.244	11.185
	[pos_sv = 3.00]	9.333	1.571	35.293	1	.000	6.254	12.412
	[pos_sv = 3.50]	10.253	1.626	39.760	1	.000	7.066	13.440
	[pos_sv = 4.00]	11.568	1.716	45.427	1	.000	8.204	14.932
	[pos_sv = 4.50]	12.959	1.803	51.660	1	.000	9.425	16.492
Location	Pos	2.587	.396	42.726	1	.000	1.811	3.362
Link function: Logit.								

***Source*:** Field Survey, 2024

From the table of the ordinal regression, the table above shows that the p-value of 0.00 is below 0.05 therefore, we reject the null hypothesis, and conclude that Point of Sale (POS) systems significantly increase the sales volume of SMEs in Enugu metropolis.

Hypothesis Two: *Adoption of mobile banking as a means of payment does not significantly enhance the sales volume of SMES in Enugu metropolis*

Table 7: Parameter Estimates 2

		Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Mbanking_sv = 2.50]	.789	1.195	.436	1	.509	-1.553	3.131
	[Mbanking_sv = 3.00]	2.280	1.159	3.873	1	.049	.009	4.551
	[Mbanking_sv = 3.50]	3.571	1.197	8.898	1	.003	1.225	5.917
	[Mbanking_sv = 4.00]	5.025	1.249	16.189	1	.000	2.577	7.473
	[Mbanking_sv = 4.50]	6.732	1.311	26.385	1	.000	4.164	9.301
Location	Mbanking	1.065	.289	13.581	1	.000	.498	1.631
Link function: Logit.								

***Source*:** Field Survey, 2024

From the table of the ordinal regression, the table above shows that the p-value of 0.00 is below 0.05 therefore we reject the null hypothesis, and conclude that the adoption of mobile banking as a means of payment significantly enhances the sales volume of SMES in Enugu metropolis.

Hypothesis three: *Use of E-cash wallet does not significantly enhance the sales volume of SMEs in Enugu metropolis*

Table 8: Parameter Estimates 3

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Ecash_sv = 1.50]	1.297	1.277	1.032	1	.310	-1.206	3.800
	[Ecash_sv = 2.00]	2.578	1.017	6.421	1	.011	.584	4.572
	[Ecash_sv = 2.50]	3.431	.970	12.515	1	.000	1.530	5.331
	[Ecash_sv = 3.00]	5.220	1.017	26.322	1	.000	3.226	7.214
	[Ecash_sv = 3.50]	6.130	1.069	32.883	1	.000	4.035	8.225
	[Ecash_sv = 4.00]	8.192	1.227	44.557	1	.000	5.787	10.597
	[Ecash_sv = 4.50]	9.608	1.314	53.505	1	.000	7.034	12.183
Location	Ecash	1.963	.313	39.336	1	.000	1.349	2.576
Link function: Logit.								

***Source*:** Field Survey, 2024

From the table of the ordinal regression, the table above shows that the p-value of 0.00 is below 0.05 therefore we reject the null hypothesis, and conclud that the use of E-cash wallet significantly enhances the sales volume of SMEs in Enugu metropolis

4.3 Summary of Findings

The study made the following findings

1. The study revealed that the use of Point of Sale systems has positively increased the sales volume of small and medium businesses in Enugu metropolis.
2. The study revealed that the adoption of mobile banking as a means of payment has positively enhanced the sales volume of SMEs in Enugu metropolis.
3. The study revealed that the use of E-cash wallet has positively enhanced the sales volume of SMEs in Enugu metropolis

Recommendations / Managerial Implications

Based on the findings of this study, the following recommendations were made:

1. SMEs owners/managers should fully adopt the use of POS, mobile banking and E-cash wallets for business transactions as this will increase their sales margin
2. SMEs operators are encouraged to ensure the security of these e-payment systems and ensure data generation and reports are free of doubts.
3. SMEs operators should embark on more effective Information Technology (IT) training to further enhance their usage of POS, mobile banking and E-cash wallets for effective business transactions.

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