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THE RELATIONSHIP BETWEEN ELECTRONIC BANKING AND PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN UYO LOCAL GOVERNMENT AREA OF AKWA IBOM STATE.

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Abstract: The study aims at examining the relationship between electronic banking and performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State. The study adopted survey research design. The convenience sampling technique was adopted for the study. Data for this research were obtained from primary and secondary sources. The research instrument used in the collection of data in this study is the questionnaire. The findings of the research revealed that transition to a cashless economy has a perceived impact on the performance of small business operators. However, significant challenges were identified, including the lack of access to electronic payment infrastructure and low levels of awareness and education on the benefits of cashless transactions. Furthermore, government policies and initiatives aimed at promoting a cashless economy have not been fully effective in supporting the growth of small business operators in Uyo Local Government Area Akwa Ibom State to benefit from the transition to cashless economy, including increased efficiency, cost savings and access to new markets. The study recommended that there is significant need for public education and awareness on the benefits of automated teller machine to enhance the adoption of cashless policy for business purpose in Nigeria. The banks must improve service quality and customer responsiveness in cases of lost or stolen cards, frauds, and other customer complaints in relation to point of sale and performance of Deposit money Banks in Nigeria.

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1. INTRODUCTION

1.1. Background of the Study

Across countries at all levels of development, small and medium scale enterprises (SMEs) have an important role to play in achieving the sustainable development goals, by promoting inclusive and sustainable economic growth, providing employment and decent work for all, promoting sustainable industrialization, fostering innovation, creating values and reducing income inequalities (OECD, 2017). For developing nations, sustainable economic growth is real poverty reduction. Thus, the interest in SMEs should be greater in developing countries due to high level of poverty and flexibility of SMEs as compared to other ventures.

In Nigeria, a developing nation with over 160 million people and over 65% of their populace being below 35 years (SMEDAN/NBS MSME Survey, 2013), it has become imperative for policy makers to seek development of national economy through SMEs rather than rely on the oil sector. This change in Nigeria's economic policy direction is not limited to the depleting state of oil reserve but also because of the abundant potentials; availability of land, cheap labor, etc. of SMEs. Though the change of economic policies in favor of the SMEs has seen a considerable increase in the number of available SMEs, the contribution of this sector to the Gross domestic product (GDP) of Nigeria is low.

The Education, wholesale/trade and manufacturing sectors which have the highest distribution of SMEs do not account for up to 50 % of independent contribution to the national GDP of Nigeria (SMEDAN/NBS MSME Survey, 2013). This low rate of contribution to the national GDP of Nigeria could be attributed to lack of access to finance, multiple taxation, access to market and obsolete technology that affect the ease of doing business in SMEs (SMEDAN/NBS MSME Survey, 2013). Inability of SMEs to access information communication technology (ICT) is viewed as the major challenge of SMEs to developing strong operations and expand their businesses (Dutta & Mia, 2009). Economic sectors that apply advances in ICT are characterized by high level of efficiency, ease and convenience of operation. Inventions of the internet and mobile technology are key information communication technologies that have

enhanced the manner of doing business in recent years. The growing number of applicants for internet has also been very crucial in product marketing and distribution in many businesses (Yang, Li, Ma, & Chen, 2018). Banks are one of the earliest and greatest facilitators of the use of internet technology (Kondabagil, 2007). As leaders of industries in which e-commerce has been developed , they apply internet technology in electronic banking (e-banking) services like online transfer, electronic bill payment and opening of deposit accounts to customers (Sumra, Manzoor, Sumra, & Abbas, 2011). These services are offered through various initiatives such as phone banking, mobile banking, internet payment systems and internet banking (Kurnia, Peng, & Liu, 2010).

E-banking could improve process excellence, speed of delivery and value of service to customers. Though the success of e-banking services depend on the rate at which the technology is adopted by customers, small and medium scale enterprises inclusive, the question is, how the adoption of e-banking channels by SMEs has influenced their performance.

1.2. Statement of the Problem

Electronic banking is expected to affect the operations and performance of small and medium scale enterprises in a form of transactional convenience, saving of time, quick transaction alert and cost saving (Aliyu, 2012). Despite the acclaimed benefits of electronic banking, the issues of online theft and fraud, non-availability of financial service, payment of hidden cost of electronic banking like Short Message Services (SMS) for sending alert, non-acceptability of Nigerian cards for international transaction, malfunctioning Automated Teller Machines (ATMs) and network downtime has been raised by many users, especially small and medium scale enterprises in Nigeria. In the light of these complaints and to enlarge the body of knowledge on e-banking in Nigeria context, this study aims to prove the relationship between e-banking and SME performance in Akwa Ibom State, Nigeria. Thus, this study will examine the impact of e-banking on the performance of SMES in Uyo metropolitan city, Nigeria.

A lot of studies have been carried out on the impact of cashless economy policy of the CBN on Nigerian economy in with disaggregated findings. While studies like Echekoba and Ezu (2012); Ocheni (2016); and Olajide (2012) reported a significant influence of cashless economy policy on the Nigerian economy growths, studies like Akhalumeh & Ohiokha (2011); and James (2013) reported a insignificant and negative effect of the cashless economy policy on

small and medium businesses in the rural areas in Nigeria. These disaggregated findings necessities similar study of this nature. Following the aforementioned gap created by the earlier researchers in the light of mixed views in findings and conclusion reached by different researchers, this study will aim at filling the gap by introducing a profound and clearer variables and analysis on the effect of central bank of Nigeria (CBN) cashless policy on the growth of Small and medium scale enterprises in Uyo local government area, Akwa Ibom State with more emphasis on cashless banking facilities like the Automated Teller Machine (ATM), Point of Sales (POS) and Internet banking.

1.3. Objectives of the Study

The study aims at examining the relationship between electronic banking and performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State. The specific objective are:

(i) To determine the impact of automated teller machine services on performance of SMEs in Uyo Local Government Area.

(ii) To find out the degree of the relationship between mobile banking services and performance of SMEs in Uyo Local Government.

(iii) To examine the impact of point of sale service on performance of SMEs in Uyo Local Government Area.

1.4. Research Questions

(i) To what extent has automated teller machine services performance impact on performance of SMEs in Uyo Local Government Area, Akwa Ibom State?

(ii) How does mobile banking services performance impact on the performance of SMEs in Uyo Local Government Area, Akwa Ibom State?

(iii) To what extent has point of sale service impact on the performance of SMEs in Uyo Local Government Area, Akwa Ibom State?

1.5. Hypotheses

The study consists of the following hypotheses:

HO_1: There is no significant impact of Automated teller machine services on performance of SMEs in Uyo Local Government Area, Akwa Ibom State.

HO_2: there is no significant impact of Mobile banking services on the performance of SMEs in Uyo Local Government Area, Akwa Ibom State.

HO_3: there is no significant impact of point of sales on performance of SMEs in Uyo local government area,Akwa Ibom State.

2. REVIEW OF RELATED LITERATURE

This chapter presents review of literatures related to this study. The chapter is presented in three perspective, namely; the conceptual, theoretical and empirical reviews of the study.

2.1. Conceptual Review

2.1.1. Meaning and Concept of Cashless Policy

A cashless economy is an environment in which money is spent without being physically carried from one place to another. Electronic devices as means of information that reveal how much a person has deposited and has spent are needed. Information technology plays an important role in bringing about sustainable development in every nation (Echekoba and Ezu, 2012). Without an optimal use of information technology, no country can attain a speedy social-economic growth and development (Adewoye, 2013). The future of all business particularly those in the services industry lies in information technology. In fact, information technology has been changing the ways companies and banks compete (Adewoye, 2013). Cashless policy does not mean a 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. Contrary to what is suggestive of the term, cashless economy does not refer to an outright absence of cash transactions in the economic setting, but one which the amount of cash-based transactions are reduced to the barest minimum (Echekoba and Ezu, 2012) . It is an economic system in which transactions are not done predominantly in exchange for actual cash. It is not also an economic system where goods and services are exchanged for goods and services (the barter system). It is an economic setting in which many goods and services are bought and paid for through electronic media (Hord, 2005).

According to the European Central Bank (1998), electronic money is broadly defined as an electronic store of money value on a technical device

that maybe widely used for making payments to undertakings other than the issuer without necessarily involving bank accounts in the transactions, but acting as a prepaid bearer instrument. Electronic payments as argued by scholars have a significant number of economic benefits apart from their convenience and safety. These benefits when maximized can go a long way in contributing immensely to economic development of a nation (Adewoye, 2013).

Automated electronic payments help deepen bank deposits thereby increasing funds available for commercial loans – a driver of all of overall economic activity. Efficient, safe and convenient electronic payments carry with them a significant range of macro-economic benefits. The impact of introducing electronic payments is akin to using the gears on a bicycle. In a similar narrative by Hord (2005), electronic payment is very convenient for the consumer. In most cases, you only need to enter your account information such as your credit card number and shipping address once. The information is then stored in a database on the retailer's web server. When you come back to the Web site, you just log in with your username and password. Completing a transaction is as simple as clicking your mouse: All you have to do is confirm your purchase and you're done (Hord, 2005). Hord (2005) further emphasizes the fact that electronic payment lowers costs for businesses.

The more payments that is processed electronically, the less money is spent on paper and postage. Offering electronic payment can also help businesses improve customer retention. A customer is more likely to return to the same e-commerce site where his or her information has already been entered and stored (Hord, 2005).

2.1.2. Meaning and Concept of Information Technology

Information technology is more than computers. It encompasses the data a business creates and uses, as well as a wide spectrum of increasing convergent and linked technologies that process such data. Information technology thus relates to the application of technical processes in the communication of data. It is no doubt that information technology can help to reduce transaction costs for banks, which will translate to lower prices for services to customers. Information technology for banks takes different forms which include: computerization of customers' accounts and information storage and retrieval, deposit and withdrawal through Automated Teller Machine and networking to facilitate access to accounts from any branch of the bank. Other forms include bio-metrics used in finger- printing and identification which should dispense

the use of passwords or personal identification by customers (Hord, 2005). The use of internet and websites to bundle a host of services that go beyond transactional financial services which is increasing among banks (Adewoye, 2013).

2.1.3. Dimensions of Cashless Policy

2.1.3.1. Automated teller machine (ATM): ATM is a computer controlled device that dispenses and provides other services to customers who identify them with a personal identification number (PIN). The physical carriage of cash as well as frequent visit to the banks is being reduced. The principal advantage of ATM is that it dispenses cash at anytime of the day even as it needs not to be located within the banking premises but in stores, shopping malls, fuel stations etc, unlike the traditional method where customers have to queue for a very long period of time to withdraw cash or transfer funds (Amu, & Nathaniel, 2018)

The ATM is the most popular e-transaction solution in Nigeria. ATM is popular because of its convenience. With ATM, it is a lot easier to withdraw money or to check account balance. However, despite its popularity, the ATM has done very little in reducing the amount of cash in the economy. This is because most Nigerians use ATM only for cash withdrawal. Although ATM machines can perform other functions like fund/cash transfer, mobile phone credit recharge and bills payment, cash withdrawals and balance inquiry remain the most popular applications sort after by users in Nigeria. This is largely due to ignorance and the absence of merchants

2.1.3.2 Point of sale (POS): Point of Sales (POS) machine or terminal is an electronic device used in payment for goods and services. POS is find in supermarkets, hotels, filling stations, shops etc. A charge known as Merchant Service Charge (MSC) is charged on all transactions done on POS terminals; this charge is borne by the merchant. The maximum total fee a merchant can be charged for any POS terminal transaction is 0.75% of the transaction value or N1,200.00 cap (Siyanbola, 2021).

Point of Sale refers to the location at which a payment of a card transaction occurs, usually by way of a device such as a credit card terminal or cash register. The industry has endorsed four manufacturers for the supply of Point-of-Sale terminals - PAX, Bitel, Ingenico, and Verifone - with negotiated discounts and local support arrangements. A POS can be purchased from any of these four

for as low as N45,000.00 per terminal. However, parties are free to purchase POS terminals from any manufacturer; so far they meet the POS specifications in the Point-of-Sale guidelines (Siyanbola, 2021).

2.1.3.3 Mobile Banking: This involves the use of mobile phone for settlement of financial transactions. This is more or less fund transfer process between customers with immediate availability of funds for the beneficiary. It uses card infrastructure for movement of payment instructions as well as secure SMS messaging for confirmation of receipts to the beneficiary. It is very popular and exciting to the customers given low infrastructure requirements and a rapidly increasing mobile phone penetration in the country. Services covered by this product include account enquiry; funds transfer; recharge phones; changing passwords, bill payments. Even though the product is exciting most customers are yet to fully buy into it in Nigeria, hence, both the apex bank and other banks still have a lot to do in terms of increasing awareness of the product to the saving populace in the country (Siyanbola, 2021).

Mobile banking (m-banking) refers to provision and availment of banking and financial services through the help of mobile telecommunication devices. The scope of services offered may include facilities to conduct bank and stock market transactions, administer accounts and to access customized information (Kennedy & Jacky, 2018).

2.1.4. Overview of Small and Medium Scale Enterprises (SMEs)

Small and Medium Enterprises (SMEs) are heterogeneous group of businesses typically operating in the service, trade, agri-business, and manufacturing sectors (Lukács, 2005). In developing countries such as Nigeria, they are considered as apparatuses useful for responding toglobalisation and poverty alleviation in Africa (Okpara, & Kabongo, 2009),wealth creation (Inyang & Enuoh, 2009), and waged and momentous employment opportunities (Eniola, 2014), while being regarded as the bedrock of most economies (Banwo et al., 2017). Further, they are vital for economic transformation and growth (Nwokocha and Nwankwo, 2019). However, research on SMEs in Africa reveals that their failure rate in developing nations is higher than in developed countries (Arinaitwe, 2002 cited in Okpara, & Kabongo, 2009). In Nigeria, studies of SMEs have been hindered by conceptual inconsistencies in the delineation of what an SME is and what should characterise its existence (Ayyagri et al., 2007, Asare 2017). These inconsistencies appear to create a faulty conceptual foundation for most research. One then wonders whether the problematic definition could be why

it is difficult to accurately characterise and situate research that can proffer solutions to the challenges of SMEs. Though not the focus of this research, a universally accepted definition is desirable, particularly considering that SMEs are acknowledged as the bedrock of any nation's economic growth and development (Beck & Demirguc-Kunt, 2006, Abdul-Majid, 2017).

2.2. Theoretical Framework

2.2.1. Technology Acceptance Model (TAM)

The study would be anchored upon the Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI) Theory by Fred Davis (1985). TAM is an information systems theory that models how users come to accept cashless policy and use a technology that will enhance the performance of business in Nigeria. TAM is one of the models that have been developed to provide a better understanding of the usage and adoption of information technology which is the base of cashless policy that will promote the performance of business in Nigeria. It is presently a prominent theory used in modeling technology acceptance and adoption in information systems research. The model suggests that when users are presented with a new technology, a number of 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 behavioral intentions, attitude, perceived usefulness of the system, and perceived ease of the system. DOI theory seeks to explain how, why, and at what rate new ideas and technology spread through cultures.

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 which are the bases of cashless policy that promote the performance of business in Nigeria, thus making the theory relevant for the study.

2.3. Empirical Framework

Ele, (2023) examined the impact of financial technology on banking services delivery in Nigeria with the use of secondary data, using expost facto research design and ordinary least square for analysis. The study concluded that the higher the application of information communication technology (ICT), in

banking operations and by customers of banks, the higher the financial performance of Nigerian banks.

Alao and Sorinola, (2018) examined cashless policy and customers' satisfaction: A Study of Deposit money Banksin Ogun State, Nigeria. The study seeks to investigate the customers' satisfaction of the recently introduced cashless policy in Ogun State, Nigeria with a survey of bank customers in Abeokuta. Data was collected with a well-structured questionnaire and analyzed with descriptive statistics, while hypotheses formulated for the study were tested with correlation co-efficient. The findings of the study reveal that cashless policy contributed significantly to customers' satisfaction in Ogun State.

Igbara, Emerenini, and Daasi, (2020) examined the impact of cashless policy on small scale businesses. The study carried out in Ogoni of Rivers state, using the purposive sampling technique, 250 owners and operators of small scale businesses were selected and administered questionnaire. The data collected were coded and analyzed using frequency table and percentage, while regression analysis was used to test the formulated hypotheses using SPSS (Statistical Package for Social Sciences). The results indicate that: small scale businesses in Ogoni land are predominately occupied by sole proprietorship with meager income with a significant numbers of them having a very poor banking habit.

Ojuotimi and Tolulope (2020) examined the effect of Point of Sales (POS) utilization on effective demand for Agricultural Commodities in stores and supermarket in Akure Metropolis, Ondo State, Nigeria. The purpose of this study was to determine the effect of point of sales (POS) utilization on effective demand for agricultural commodities in stores and supermarket in Akure Metropolis. Multistage sampling procedure was used in selecting one hundred and sixty (160) consumers paying for agro-commodities through POS for the study. Data were collected through the use of structured interview schedule and were analyzed using descriptive statistics and regression. The study identified convenience as the main reason for utilizing POS and also found sex, age, household size, monthly income and effect of POS as factors influencing effective demand of agro-commodities using the POS. The study however concludes that the use of POS increases the demand for agro commodities.

Gbanador (2020) investigated the effect of cashless policy on economic growth in Nigeria using quarterly time series data spanning through the period of 2012 to 2021 while the research design adopted for the study was the ex-post facto research design. Diagnostic test such as serial correlation,

heteroskedasticity and Cusum test were conducted. Phillip-Peron and Kwiatkowski-Phillips Schmidt-Shin (KPSS) were used to carry out unit root test on the variables while the AutoRegressive Distributed Lag (ARDL) was used for the data analysis. The findings revealed a significant relationship between Cheque (CQ) and Internet banking (IB) with the Gross Domestic Product while the relationship between the Automated Teller Machine and the Gross Domestic Product is negatively insignificant. The study concludes that cashless policy influences economic growth in Nigeria and therefore suggests that the Central Bank of Nigeria should encourage Banks to offer quality ATM services to their customers. This is expected to boost the adoption of alternative payment system which is amongst the rationale for introducing the cashless policy.

Ibera and Omodala (2020) assessed the effect of electronic banking on SMEs in Nigeria. It examines the effect of Point of Sale (POS) and Automated Teller Machine (ATM) on SMEs. Survey research design was adopted. The study used questionnaire in obtaining data. Multiple regression analysis was used in examining the effect of the variables. The result of analysis reveals that Point of Sales (POS) have both negative and positive impacts on the SMEs while the Automated Teller Machine (ATM) exhibited strong positive impact on the SMEs in in Nigeria. The implication of these finding for stakeholders and researchers in the banking industry and national economy includes its exposition of prevailing factors hindering the impact of e-banking regime, the need for urgent policy to resolve them.

Omaola and Jounka (2022) examined the effect of Point of Sales (POS) on customer satisfaction in Delta State, Nigeria. The purpose of this study was to determine the effect of point of sales (POS) on customer satisfaction in Delta State, Nigeria. convenience sampling procedure was used in selecting one hundred and sixty (128) consumers paying for agro-commodities through POS for the study. Data were collected through the use of structured interview schedule and were analyzed using descriptive statistics and regression. The study however revealed that the use of POS influenced the satisfaction of customers in Delta State.

Uywi and Hyut (2022) investigated the effects of ATM on customer satisfaction of Nigerian banks. Available studies have concentrated on the significant dimensions of ATM (automated teller machine) service quality and its effect on customer satisfaction with a bias against ATM producers. Questionnaire was used to collect the data from a convenience sample of 125 employees of five selected banks in Lagos State with interswitch network.

Therefore, data collected through the questionnaire were analyzed statistically by using the Software Package for Social Science (SPSS Version 20.0 for Student Version). The results indicate that less than the benefits, the deployment of ATMs terminals have averagely improved customer satisfaction. Similarly, ATM service quality is less correlated to security and privacy of users and providers. The conclusion therefore is that banks should strive to increase their security layers to subvert the tricks of web scammers.

3. METHODOLOGY

3.1. Introduction

This chapter basically describes the set of methods, procedures, and strategies employed in gathering the data as well as how the data was processed to arrive at the conclusion. Quantitative technique was employed in gathering relevant data for this research. In view of the study, this chapter will be focusing on the following areas; research design, population of the study selection of sample / samples techniques, source of data, method of data collection and method of data analysis.

3.2. Research Design

The study adopted survey research design. The study is descriptive in that it sought to find out the existing situation of a particular phenomenon of concern. The study would use survey research technique which allows the collection of data from the population in a highly economical way. This design is adopted because data for both dependent and independent variables already exist and are not subject to bias. The rationale for using the descriptive survey is that it helps in telling what a situation is in a systematic manner; it involves collection of accurate data for the purpose of determining the current nature of the subject of study.

3.3. The Study Area

The study area is Nteps Super Market, Oron road, Kilimanjaro, Oron road, Nteps Super Market, Ewet Housing, De Choice Super Market and HOD' Footware, Oron road all in Uyo, Akwa Ibom State, Nigeria. Uyo is the State capital of Akwa Ibom, a major oil producing state of Nigeria located in the south-south region. As one of the 31 Local Government Area, the town became the capital of the state on September 23, 1987 following the creation of Akwa Ibom State from erstwhile Cross River State which is one of the 36 state of the federation of Nigeria. Uyo is growing rapidly with increased in population from

approximately 1,200,000 to 1,265,000 million between 2021 and 2022. The justification for the choice of Uyo metropolis, Akwa Ibom State was due to convenience, accessibility, cost reduction and the ability of the researcher.

3.4. Population of the Study

The population of the study comprise of business operators of small and medium scale business which include Nteps Super Market, Oron road, Kilimanjaro, Oron road, Nteps Super Market, Ewet Housing, De Choice Super Market and HOD' Footware, Oron road. The population was deemed to be infinite, as the number of business operators of small and medium scale business in these markets is unknown.

3.5. Sample Size Determination

In determining the sample size, the researcher used the Taro Yamane formula for sample size determination. This formula is given as:

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

Where: n = sample size

N = total number of employees

e = allowable level of error

Thus:

$$n = \frac{90}{1 + 90(0.05)^2}$$

$$\frac{90}{1 + 90(0.0025)}$$

$$\frac{90}{1 + 0.225}$$

$$\frac{90}{1.225}$$

$$n = 73$$

Given the sample size of 73

3.6. Sampling Technique

The convenience sampling technique was adopted for the study. This is a technique in which a sample is drawn from that part of the population that is close to hand, readily available, or convenient. Convenience sampling is a non-probability sampling technique that is adopted by researchers where data is collected from available and easily accessible pool of respondents. Also, convenience sampling technique allows the collection of data from the population in a highly economical way. In this sampling technique, the researcher simply selects members of his study population based on proximity and does not consider whether they represent the entire population or not. In convenience sampling, the researcher uses accessibility and convenience to determine which participants make up the research sample.

In using the convenience sampling techniques to obtain the sample size of 384, the researcher approached each participant that is accessible to her. 192 participants was drawn from each of the market at the convenience of the researcher to obtain the 384 sample size.

The convenience sampling technique enables the researchers to use their skills, prior knowledge and experience to select appropriate respondents. The major attribute of this technique is that it gives each respondent an opportunity to be selected. The researcher chose this technique because it gives each business operators in the study area equal privilege to be selected and not just appointing business operators that will be used.

3.7. Sources of Data Collection

Data for this research were obtained from primary and secondary sources. The primary source comprises of information relevant to this study were obtained through the use of questionnaires, and oral interviews.The secondary source refers to information obtained from existing materials. This include historical materials collected from organizations, textbooks, journal, articles, internet and other publications related to the subject matter of study.

3.8. Data collection Instrument

The research instrument used in the collection of data in this study is the questionnaire. In a bid to get the precise opinion, the questionnaire was designed in a way that enabled respondent to choose the most appropriate option out of the alternative questions. The questionnaire was arranged in two sections; section A and B. Section A briefly captured the demographic information of the

respondents while section B focused on questions bordering on the subject matter which is cashless policy and its relationship with business performance in Akwa Ibom State, Nigeria. The questions in the questionnaire were close-ended and were also drafted in a simple, explicit and understandable language. The questionnaire was structured using Five (5) – point Likert-scale from Strongly Agree (SA) to Strongly Disagree (SD).

3.9. Validity of the Research Instrument

The instrument used was developed by the researcher in accordance with the research topic of the research. The questionnaire was presented to my supervisor and other lecturers in the Department. They successfully assessed the instrument and made suggestions. The suggestion and correction were incorporated into the questionnaire before the final copy was produced. This makes the questionnaire to be deemed valid and employed to collect data in the main study.

3.10. Reliability of Research Instrument:

To ensure the reliability of the instrument used in the study, the questionnaire and the construct were subjected to reliability test using Cronbach's Alpha coefficient. A value Cronbach's Alpha of 0.7 or more was used as a criterion for a reliable scale (Nunnally, 2017). As shown on table 3.1, the overall average reliability of scale items was found to be a = 0.887 which according to Udofia (20115), is an indication that the instrument was good enough to be used for the study.

Table 3.1: Cronbach's Alpha Reliability Test

Variables	*No. of items*	*Cronbach Alpha Value*
Automated teller machine (ATM)	3	0.870
Point of sale (POS)	3	0.821
Mobile banking	3	0.819
Performance of SMEs	3	0.866
Total average		0.887

Source: SPSS Reliability Analysis Output

3.11. Scoring of Research Instrument

The Five - Point Likert scale was used in scoring the items in the questionnaire as shown below:

SA	=	Strongly Agreed	(5 points)
A	=	Agree	(4 points)
UN	=	Undecided	(3 points)
D	=	Disagree	(2 points)
SD	=	Strongly Disagree	(1 point)

3.12. Method of Data Analysis

This paper utilized the statistical tool of use of Pearson Product Method Correlation Analysis in which SPSS package of version 22 was used in analysing the data in order to ascertain the relationship of the identified variables.

3.13. Statistical Measure

Pearson Product Method Correlation Analysis was used to test the relationship using the Statistical Package Social Science (SPSS version 22).

Model Specification

$$r = \frac{\Sigma xy - \Sigma x \Sigma y}{\sqrt{[n\Sigma x^2 - (\Sigma x)^2]\,[x\ \Sigma y^2 - (\Sigma y)^2]}}$$

Where:

r = Pearson Product Correlation

n = number of respondents

Σy^2 = sum of the values of the square of y

Σxy = sum of the value of x and y

Y = Performance of SMEs

Σx = sum of the value of x

Σy = sum of the value of y

(Σy^2) = square of sum of the values of y

Σx^2 = sum of the value of the square x

(Σx^2) = square of sum of the value of x

3.14. Decision Rule with Regards to the Testing of the Hypotheses

To accept or reject the null hypotheses, there was comparison between the computer generated significance level which was either greater than or equal to

the assumed stated P-value of 0.05 and 0.01 level of significance. The decision rule following the comparison was thus made as follows: Accept H_0 if P-value (0.00) ≥ Sig. (2 tailed), which implied no significance, Reject H_0 if P-value (0.00) ≤ Sig. (2 tailed), which implied there was significance Correlation.

4. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

This chapter presents the analyses of the data collected for the study and the discussion of the findings. The data were presented using tables and analyzed using the methods of analyses laid down in chapter three.

4.1. Presentation of Data

This section is basically designed to present, analyze and interpret the primary data obtained via the questionnaire which was purposively administered to the respondents. These are shown in the table below:

4.2. Testing of Hypotheses

4.2.1. Hypothesis One

HO_1: there is no significant relationship between Automated teller machine (ATM) policy and performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State.

Simple Regression Analysis was used to analysis the data in order to determine the influence between the variables using Statistical Package Social Science (SPSS version 22).

Model Summary

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.804[a]	.647	.646	.42308

a. Predictors: (Constant), Automated teller machine (ATM)

ANOVA[a]

Model		*Sum of Squares*	*df*	*Mean Square*	*F*	*Sig.*
1	Regression	107.551	1	107.551	600.848	.000[b]
	Residual	58.712	71	.179		
	Total	166.263	72			

a. Dependent Variable: SME_Perf

b. Predictors: (Constant), Automated teller machine (ATM)

Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	*Std. Error*	*Beta*	*T*	*Sig.*
1	(Constant)	.781	.098		7.941	.000
	Automated teller machine (ATM)	.761	.031	.804	24.512	.000

a. Dependent Variable: SME_Perf

From the result in Table above, R-square of the regression analysis is .647. This finding suggests that 64.7% of the variance in performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State is explained by Automated teller machine (ATM) policy variables. The analysis of variance (ANOVA) confirmed the existence of a positive significant influence and the study found that the regression model is best fit for predicting the effect between variables under study [F = 600.848, t = 7.941 and $p<0.05$]. Given this result, the null hypothesis is rejected. Therefore, there is positive and significant influence of Automated teller machine (ATM) policy on performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State.. Similarly, the study revealed that every unit change in Automated teller machine (ATM) policy would cause a variance of 80.4% in performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State. (Beta= .804, p=0.000).

4.2.2. Hypothesis Two

There is no significant relationship between Point of sale (POS) on performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State.

Simple regression Analysis was used to analysis the data in order to determine the influence between the variables using Statistical Package Social Science (SPSS version 21).

Model Summary

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.839[a]	.704	.704	.38706

a. Predictors: (Constant), Point of sale (POS)

ANOVA[a]

Model		*Sum of Squares*	*Df*	*Mean Square*	*F*	*Sig.*
1	Regression	117.122	1	117.122	781.763	.000[b]
	Residual	49.140	71	.150		
	Total	166.263	72			

a. Dependent Variable: SME_Perf

b. Predictors: (Constant), Point of sale (POS)

Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*		
		B	*Std. Error*	*Beta*	*T*	*Sig.*
1	(Constant)	.812	.085		9.514	.000
	Point of sale (POS) policy	.759	.027	.839	27.960	.000

a. Dependent Variable: SME_Perf

From the result in Table above, R-square of the regression analysis is .704. This finding suggests that 70.4 % of the variance in performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State is explained by Point of sale (POS) policy variables. The analysis of variance (ANOVA) confirmed the existence of a positive significant impact and the study found that the regression model is best fit for predicting the influence between variables under study [$F = 781.763$, $t = 9.514$ and $p<0.05$]. Given this result, the null hypothesis is rejected. Therefore, there is positive and significant influence of Point of sale (POS) on performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State. Similarly, the study revealed that every unit change in Point of sale (POS) policy would cause a variance of 83.9% in performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State. (Beta= .839, p=0.000).

4.2.3. Hypothesis Three

There is no significant relationship between mobile banking and performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State.

Simple regression Analysis was used to analysis the data in order to determine the influence between the variables using Statistical Package Social Science (SPSS version 21).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.670[a]	.448	.447	.52873

a. Predictors: (Constant), mobile banking policy

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	74.568	1	74.568	266.737	.000[b]
	Residual	91.694	71	.280		
	Total	166.263	72			

a. Dependent Variable: SME_Perf

b. Predictors: (Constant), mobile banking

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.001	.133		7.526	.000
	mobile banking	.737	.045	.670	16.332	.000

a. Dependent Variable: SME_Perf

From the result in Table above, R-square of the regression analysis is .448. This finding suggests that 44.8 % of the variance in business performance is explained by mobile banking policy variables. The analysis of variance (ANOVA) confirmed the existence of a positive significant influence and the study found that the regression model is best fit for predicting the effect between variables under study [F = 266.737, t = 7.526 and $p<0.05$]. Given this result, the null hypothesis is rejected. Therefore, there is positive and significant influence of mobile banking on business performance. Similarly, the study revealed that every unit change in mobile banking would cause a variance of 83.9% in business performance (Beta= .839, p=0.000).

4.3. Discussion of Findings

The first hypothesis states that there is no significant relationship between Automated teller machine (ATM) policy and performance of small and medium

scale enterprises in Uyo Local Government Area Akwa Ibom State. The result shows there is positive and significant relationship Automated teller machine (ATM) policy and business performance in Akwa Ibom State, Nigeria. This is in agreement with the study and findings of Jegede (2018) who investigated the effects of ATM on the performance of Nigerian banks.

The second hypothesis states that there is no significant relationship between Point of sale (POS) policy and business performance in Akwa Ibom State, Nigeria. The result shows there is positive and significant relationship Point of sale (POS) and business performance in Akwa Ibom State, Nigeria. This is in agreement with the study and findings Ojuotimi and Tolulope (2020) who examined the effect of Point of Sales (POS) utilization on effective demand for Agricultural Commodities in stores and supermarket in Akure Metropolis, Ondo State, Nigeria.

The third hypothesis states that There is no significant relationship between there is no significant relationship between mobile banking and business performance in Akwa Ibom State, Nigeria. The result shows there is positive and significant relationship there is no significant relationship between mobile banking policy and business performance in Akwa Ibom State, Nigeria. This is in agreement with the study and findings of Ibera and Omodala (2020) who assessed the effect of electronic banking on SMEs in Nigeria.

5. CONCLUSION AND RECOMMENDATIONS

In conclusion, this study examines the influence of electronic banking and performance of small and medium scale enterprises in Uyo Local Government Area Akwa Ibom State. The findings of the research revealed that transition to a cashless economy has a perceived impact on the performance of small business operators. However, significant challenges were identified, including the lack of access to electronic payment infrastructure and low levels of awareness and education on the benefits of cashless transactions. Furthermore, government policies and initiatives aimed at promoting a cashless economy have not been fully effective in supporting the growth of small business operators in Uyo Local Government Area Akwa Ibom State to benefit from the transition to cashless economy, including increased efficiency, cost savings and access to new markets.

5.1. Recommendations

(i) There is significant need for public education and awareness on the benefits of automated teller machine to enhance the adoption of cashless policy for business purpose in Nigeria.

(ii) The banks must improve service quality and customer responsiveness in cases of lost or stolen cards, frauds, and other customer complaints in relation to point of sale and performance of Deposit money Banks in Nigeria.

(iii) There is additional need for ensuring ease of use, and customer interactive features in mobile and on-line shopping systems in Nigeria and that the banks management should from time to time train customers with regard to internet banking, its benefits, risk exposure, physical and internet security to avoid financial loss in the hands of hackers.

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