

# Comparative Study of the Readiness of People for a Cashless Society between Songkhla Municipality and Hatyai Municipality, Songkhla Province, Thailand

Onuma Supattanakul<sup>a</sup>, Ekarach Maliwan<sup>b</sup>, <sup>a,b</sup>Faculty of Liberal Arts, Rajamangala University of Technology Srivijaya, Thailand, Email: [anuma2513@yahoo.com](mailto:anuma2513@yahoo.com), [ekarachmaliwan@gmail.com](mailto:ekarachmaliwan@gmail.com)

The purposes of this study is to examine the degree of the readiness of people for a cashless society, and then to assess the differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality. The target population of the study is people who are using services via electronic system in Songkhla Municipality and Hatyai Municipality, Thailand. Purposive Random Sampling was used as a surveying technique. Descriptive statistics, for example, Frequency and Percentage, were used to analyse the data. In addition, the data was analysed by Independent Sample t-test in order to test the differences between the groups. The results of the study show that the degree of the readiness of people for a cashless society of Songkhla Municipality is at the moderate level, while it occurs in a high level for Hatyai Municipality. The results of the study also show that there were significant differences in the readiness of people for a cashless society between two municipalities. The findings are useful for improving public and private service providers so that they may respond to financial transactions and achieve a cashless society in the future.

**Key words:** *Readiness, Cashless Society, Electronic Systems, Municipality.*

## Introduction

In many developed countries, a cashless society or commercial systems without using cash is very popular. Several powerful forces are behind the move to a cash-free world, including government, large financial services companies, and also customer behaviour. Even critics of

the mainstream financial system and government-issued currencies favour doing away with cash. Without cash, payments happen via electronic systems. Instead of using paper and coins to exchange value, people can transfer funds to another person or business firms easily. Several nations, for example, China, Sweden and India are already making moves to eliminate cash, with the push coming from both consumers and governments. A cashless society has many benefits, such as lower crime because there's no tangible money to steal, less money laundering because there is always a paper trail, less time and costs associated with handling paper money as well as storing and depositing it. On the other hand, disadvantages of a cashless society include the possible exposure of personal information in a possible data breach, and the dangerous threat of hackers to draining your bank account or smart phone. Technology problems can also leave customers with no access to their money.

Thailand has developed financial transactions due to consumer behaviour. A cashless society is moving on a financial system based on cashless society by using technology instead of cash. According to the Bank of Thailand's report (2017), many important developments have occurred in the Thailand payment via electronic system, especially the improvement of infrastructure and network systems that facilitate access to financial services. However, the switch to electronic cash also carries issues such as security, privacy, crime and computerization. There are many factors that determine the use of electronic system such as customers' expectations, social influence, facilitation, and customer behaviour (Phatthanuwat and Sichampa, 2018). There are many issues related to a cashless society. Junadi (2015) concluded that Anxiety affects the intention to Accept the use of electronic payment systems. In addition, Jason (2015) noted that Anxiety affects the willingness and behaviour of accepting the use of electronic payment in Thailand. It has both positive and negative effects. For people individually, the benefits of a cashless society should outweigh the disadvantages. Thus, this study tries to measure the readiness of people for a cashless society in two areas: Songkhla Municipality and Hatyai Municipality, Songkhla Province, Thailand.

### **Research Questions**

In view of the research background, this study seeks to ask the following research questions:

- 1) What is the degree of the readiness of people for a cashless society in Songkhla Municipality and Hatyai Municipality?
- 2) What are the differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality?

### **Research Objectives**

This study attempts to achieve the following objectives.



- 1) To assess is the degree of the readiness of people for a cashless society.
- 2) To examine the differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality.

### **Hypothesis of the Study**

The hypothesis in this study has been determined as:

H1: There are differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality.

### **Significance of the Study**

This research seeks to assess the extent of the degree of the readiness of people for a cashless society in two municipalities in Sonkhla Province. In addition, this study also examines the differences in the readiness of people for a cashless society between two municipalities. The aim is to:

- 1) Understand the current degree of readiness for a cashless society.
- 2) Realize the differences in the readiness of people for a cashless society between two areas.
- 3) Improve public and private service providers in order to respond to financial transactions and *achieve a completely cashless society* in the future.

### **Research Methodology**

Quantitative method is the main method of this study. It is appropriate in seeking the details of data collection and analysis. It provides instruments for assessing concepts, research design steps, and for manipulating population and sampling matters. Quantitative data include closed-ended information, such as that found on attitude, behaviour, or performance instruments. The collection of data involves using a closed-ended checklist. The questionnaire was distributed by research assistants. This design intends to describe the main aspects that answer the questions about the recent situation (Sekaran, 2010). The analysis of the data was conducted by statistical methods. The statistical analyses used for the descriptive research are computing for the central tendency, variance, and correlations (Leedy & Ormrod, 2001). Besides the descriptive statistics, hypothesis testing was used in this study in order to investigate the differences in the readiness of people for a cashless society between two groups.

## **Population**

In this study, the target population are people who are using services via electronic system located in Songkhla Municipality and Hatyai Municipality, Thailand.

## **Sample Size**

The sampling technique is based on the purposive random sampling. The total sample size was 800 clients taken from two municipalities, and the elements were selected by a convenience sampling. According to Hair *et al.* (2010), convenience samples are used because they enable the researcher to achieve a large number of respondents quickly and cost efficiently.

## **Measurement**

Survey items by online questionnaires and a paper version were conducted to collect data from targeted participants. The questionnaire consists of two parts. The first part is demographic data of the respondents, and the second part is the readiness for cashless society which consists of 5 dimensions as; 1) Ability to the use of services via electronic system, 2) Social Influence on the use of services via electronic system, 3) Benefits of using services via electronic system, 4) Dependability of using services via electronic system, and 5) Security of using services via electronic system.

All these items were measured using a 5-item Likert scale (1= strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; 5 = strongly agree).

## **Validity and Reliability of the Measurement**

This study examined the content validity. Content validity of the instrument was achieved by adopting the items that were used in the previous studies and gathering expert opinions. According to Hair *et al.* (2010), seeking opinions from academics who are experts in their particular areas leads to proper assessment of the content validity. Before deciding on the actual measurement to be used, a pilot study was conducted using a sample of 30 respondents. The reliability value for the measurement was computed for a pilot study. The internal consistency of the scale using Cronbach's alpha reliability coefficients is one of the conditions for selection of past measurements. Thus, reliability analysis was used on the variables to test the internal consistency of all instruments. The Cronbach's alpha values of the readiness of people for a cashless society were between 0.75 to 0.94, and 0.86 for overall. The results also show that the questionnaires showed clear and adequate levels of internal reliability for all of them. The results are presented in Table 1

**Table 1:** The Values of Cronbach's alpha for

<b>dimension</b>	<b>No. of items</b>	<b>Cronbach's Alpha</b>
Ability to the use of services via electronic system	6	0.943
Social Influence on the use of services via electronic system	6	0.802
Benefits of using services via electronic system	6	0.752
Dependability of using services via electronic system	5	0.856
Security of using services via electronic system.	5	0.810
Total	28	0.861

## Findings

A total of 297 respondents of Songkhla Municipality and 230 respondents of Hatyai Municipality were received with the response rate was 74.25 %, followed by, 57.50 %.

## Demographic Data of the Respondents

The findings of the study show that the majority of the respondents from Songkhla Municipality are female (60%). Most of them are between the age of 20 and 30 years old (56%), while 52% of the respondents are students. Descriptive statistics also show that the majority of respondents have income between 10,000-20,000 baht (49%). In addition, the current study also found that the most of respondents are using services via electronic system 5 to 10 times per month (48%). For Hatyai Municipality, the majority of the respondents are female (67%). Most of them are between the age of 30 and 40 years old (60%), while 42% of the respondents are business owner. Descriptive statistics also show that the majority of respondents have income between 20,000-30,000 baht (51%). In addition, the current study also found that the most of respondents are using services via electronic system more than 10 times per month (53%).

## The Degree of the Readiness of People for a Cashless Society

The first objective of the study is “to assess the degree of the readiness of people for a cashless society”. The results show that the readiness of people for a cashless society of Songkhla Municipality occurs at a middle level for overall (Mean=3.18, SD=.74). The majority of respondents in Songkhla Municipality agree that “Ability to the use of services via electronic system” is the main aspect of the readiness for cashless society (Mean=3.46, SD=.57), followed by “Benefits of using services via electronic system”. For Hatyai Municipality, the results indicated that the readiness of people for a cashless society occurs in a high level overall (Mean=3.88, SD=.62). On the other hand, the majority of respondents in Hatyai Municipality emphasized in the “Benefits of using services via electronic system” (Mean=4.41, SD=.71),

followed by “Ability to the use of services via electronic system” (Mean=4.24, SD=.60). In addition, the results showed that people in Hatyai Municipality have a higher readiness for a cashless society than people in Songkhla Municipality.

**Table 2:** The Readiness of People for a Cashless Society

Dimensions	Songkhla Municipality		Hatyai Municipality	
	Mean	SD.	Mean	SD.
Ability to the use of services via electronic system	3.46	.57	4.24	.60
Social Influence on the use of services via electronic system	3.03	.60	3.78	.68
Benefits of using services via electronic system	3.41	.65	4.41	.71
Dependability of using services via electronic system	3.20	.70	3.70	.68
Security of using services via electronic system.	3.26	.68	3.27	.61
Total	3.18	.74	3.88	.62

### The Differences in the Readiness of People for a Cashless Society between Songkhla Municipality and Hatyai Municipality

The second research objective of this study is “to examine the differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality.” The first hypothesis (H1) that there are differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality was tested in order to accomplish this objective. The results in Table 3 show that there are significant differences at significance level of 0.05 in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality. The results confirm that the differences in the readiness of people for a cashless society occur in “Ability to the use of services via electronic system” ( $t = 6.608$ ), “Social Influence on the use of services via electronic system” ( $t = 8.014$ ), “Benefits of using services via electronic system” ( $t = 7.260$ ), “Dependability of using services via electronic system” ( $t = 7.750$ ), “Security of using services via electronic system” ( $t = 8.386$ ), and overall ( $t = 8.773$ ). Thus, hypothesis H1 was supported.

**Table 3:** The differences in the differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality

<b>Service Quality</b>	<b>Respondent</b>	<b>t</b>	<b>Sig</b>
Ability to the use of services via electronic system	Songkhla	6.608*	.000
	Hatyai		
Social Influence on the use of services via electronic system	Songkhla	8.014*	.000
	Hatyai		
Benefits of using services via electronic system	Songkhla	7.260*	.000
	Hatyai		
Dependability of using services via electronic system	Songkhla	7.750*	.000
	Hatyai		
Security of using services via electronic system.	Songkhla	8.386*	.000
	Hatyai		
<b>Total</b>	Songkhla	<b>8.773*</b>	<b>.000</b>
	Hatyai		

*\*significant at  $p < 0.05$*

## Discussion

The findings showed that people in Songkhla Municipality considered in the item “Ability to the use of services via electronic system” as a main aspect of the readiness for cashless society. It confirms that user behaviour of electronic systems has the ability and readiness to accept and change behaviour in order to reduce cash and turned to electronic services. In addition, people can understand and easily access electronic systems. On the other hand, people in Hatyai Municipality emphasized “Benefits of using services via electronic system”. It assumes that people in this area are ready for a cashless society. They focused on the benefits of using electronic systems instead of cash: for example, reducing transaction costs, providing an alternative to the use of electronic services, and responding to customer need rapidly. This study is in the line with Meewansukkun’s (2010) study, which found that perceiving benefits, attitude, and confidence in Online use, affect the intention of using business transactions through 3G innovation.

The results of this study show that there are significant differences at significance level of 0.05 in the readiness of people for a cashless society for all dimensions between Songkhla Municipality and Hatyai Municipality. Thus, this study indicates that when the location of the municipalities differs among the clients, the readiness of people for a cashless society will be affected. Moreover, people in Hatyai Municipality have higher readiness for cashless society



than people in Songkhla Municipality due to descriptive statistics. Hatyai Municipality is the largest town of commercial city in Songkhla Province and the fourth largest in Thailand. It is frequented by many travellers passing through from many countries. It is well known as a travel hub, a medical centre and a shopping haven for tourists, while Songkhla Municipality is the bureaucratic and educated city which consists of many universities and government offices. It is also implied that people who live in commercial cities have high readiness for a cashless society due to their financial transactions. This study confirmed that the difference in cities has a significant effect on the readiness of people for a cashless society.

## **Conclusion**

Many developed countries are moving toward a cashless society. Thailand has started a policy to lead the country into a cashless society. This study aims to examine the degree of the readiness of people for a cashless society, and to assess the differences in the readiness of people for a cashless society between Songkhla Municipality and Hatyai Municipality. The results of the study show that the degree of the readiness of people for a cashless society of Songkhla Municipality is at a moderate level and at a high level for Hatyai Municipality overall. The results of the study also show that there were significant differences in the readiness of people for a cashless society between two municipalities. The results of the study are useful for improving public and private service providers in order to respond to financial transactions and *achieve cashless society* in the future.



## REFERENCES

- Bank of Thailand (2017). PromptPay. Retrieved from <https://www.bot.or.th>.
- Hair, J. F., Money, A. H., Samouel, P., & Page, M. (2006). *Research methods for business*. New York: John Wiley & Son, Ltd.
- Jansorn, T. (2015). Study of acceptance factors for electronic payment services. *ISS & MLB Journal*, 452-461.
- Junadi. (2015). A model of factors influencing consumer's intention to use e-payment system in Indonesia. *Presented in International conference on Computer Science and Computational Intelligence (ICCSCI)*, (8), 214-220.
- Leedy, D.P. & Ormrod, E.J. (2001). *Practical Research: Planning and Design*. NJ: Merrill Prentice Hall.
- Meewansukkun, A. (2010). *Factors Affecting Intention to Use Financial Transactions via 3G Innovations of Consumers in Bangkok* (MasterThesis, Master of Business Administration, Suratthani Rajabhat University).
- Phatthanuwat, K., & Sichampa, R. (2018). *Factors Affecting Intention to Use QR Code Payment Systems in Advance to Cashless Society: A Case Study of Commercial Banks in Thailand*. Retrieved February 1, 2006, from <http://www.journalgrad.ssrui.ac.th/index.php/miniconference/article/view/1403>
- Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach*. New York: John Wiley & Sons, Inc.