

## The Usage of Cashless Transaction in University Community in Pengkalan Chepa City

Guest Editor (s): Bahaaeddin Alareeni,<sup>9</sup> Allam Hamdan,<sup>10</sup> and Islam Elgedawy<sup>11</sup>

<sup>9</sup>Middle East Technical University-Northern Cyprus Campus, Güzelyurt, Turkey

<sup>10</sup>College of Business and Finance, Ahlia University, Manama, Bahrain

<sup>11</sup>Middle East Technical University-Northern Cyprus Campus, Güzelyurt, Turkey


Bahaaeddin Alareeni, Email: [alareeni@metu.edu.tr](mailto:alareeni@metu.edu.tr).

[Contributor Information](#).

[Farah Hanan Muhamad](#),<sup>12</sup> [Mohd Zulkifli Muhammad](#),<sup>12</sup> [Noorshella Che Nawi](#),<sup>12</sup> [Hazriah Hasan](#),<sup>12</sup> [Nadzirah Mohd Said](#),<sup>12</sup> [Siti Rohana Mohamad](#),<sup>12</sup> and [Zuki Rasuly](#).<sup>13</sup>

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### Abstract

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Cashless technology is a new development technology introduced in Malaysia. Though the goal of the government is to increase the use of e-payment by 200 transactions per person, the value and the usage shows imbalance figures. The purpose of this study is to observe the preference of cashless transactions among the local community in the university. This study used a quantitative method to analyze the data. This study is based on the primary data which is collected by using an online structured questionnaire from a sample of 357 respondents at the University of Malaysia Kelantan (UMK) in Pengkalan Chepa city. SPSS software is used to run the correlation analysis. The result indicates there is a significant positive relationship between the cashless transaction and independent variables which are fast and convenient,

**Keywords:** Cashless, Financial technology, Cybercrime, Social influence

## Introduction

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Cashless transaction can be defined as a virtual payment that does not use the physical cash (Donohue et al. 2020). Regardless so, cashless does not necessarily mean no cash transaction at all, but the money-based transaction is minimized at the lowest level (Rahadi et al. 2020). In Malaysia, traditional transaction of using cash in hand to make payment is a popular medium of exchange but the growing popularity of cashless payments will change the trends in tandem with Bank Negara's vision to make e-payment as a preferred medium payment of economic transaction in Malaysia (TheStar 2020).

Cashless technology is a new development technology introduced in Malaysia. Though the goal of government to increase the use of e-payment by 200 transactions per person, the volume and the value shows imbalance totals whereby in Malaysia the use of internet banking is way much larger than e-money. The latter usually practiced for small-value payments compared to the former which widely applied for high-value payments (Fintech 2019).

The use of financial technology is not yet comprehensive in the country, irrespective of its affordable option and cost-effective, somehow still less favorable in emerging market (Kachathan and Chaichotchuang 2020). Cashless transaction is also reflected to the economic well-being since the transactions do not require people to bring any physical coins or banknotes.

Despite its privilege to the nation, the rising cybercrime is very distressing nowadays and it is one of the costs incurred for adopting this kind of transaction (Fabris 2019). As a consumer, they need to follow the trend in business dealings and cope with financial technology (Chougule et al. 2020). The growth of technology is an indicator towards economic growth (Ishak 2020). Kelantan is chosen since it is categorized as one of the lowest Growth Domestic Product (GDP) contribution (2.6%) in 2018. Thus, the aim of this study is to investigate the relationship of the fast and convenience, security and privacy and social influence on the preference of cashless transaction among the university community.