



DETERMINATION OF THE CORE BENEFITS AND CHALLENGES ASSOCIATED WITH E-PAYMENT SYSTEM IN NIGERIA

By

Clement Ikenna OKEKE

School of Management Sciences, National Open University of Nigeria (NOUN)

Abstract: Against the backdrop of the need to promote increased use of e-payment platforms and ensure the successful implementation of cashless policy of CBN, this study sought to identify and rank the most important benefits and challenges associated with e-payment system. Having aggregated the possible benefits and challenges of e-payment system, 282 highly educated and financially active users of e-payment system in Nigeria (Executive MBA and M.Sc students of ESUT Business School, Enugu) were selected and requested to identify and rank the listed benefits and challenges based on their experience of e-payment on a scale of 1-5. Based on analysis of their responses, the study identified and ranked the five most important benefits and challenges of e-payment system. While the benefits ranged from speed, greater control, reduced need to carry cash, increased convenience to reduced incidences of fraud in financial transactions, the challenges ranged from electronic fraud, security, trust/confidence, infrastructural inadequacies to dispute resolution mechanisms. To build on the benefits and minimize, if not eliminate, the challenges, recommendations were proffered. The key recommendations for the benefits included use of celebrity and satisfied customers testimonials and provision of incentives. For the challenges, the recommendations included minimization of electronic fraud, provision of security at cash points, enhancement of trust/confidence on the system and streamlining of dispute resolution mechanisms.

Key words: Cashless Policy, Dispute Resolution Mechanism, Electronic Fraud, Financial Transactions and Testimonials.

1. INTRODUCTION

As Nigeria grapples with economic challenges and seeks accelerated socio-economic development, it has emerged that promoting a cashless economy as the Central Bank of Nigeria (CBN) is seeking to achieve is a major plank for achieving this. The efforts of CBN to achieve rapid transition from cash-based to electronic-based transactions in Nigeria are informed by the great benefits that will accrue to the economy because of the established relationship between an effective payment system and level of economic activity and national development. As noted by Financial Derivatives Company Limited (FDCL) (2012) a well-functioning payment system is important to boost the efficiency of the financial system, improve consumer confidence and facilitate economic interactions and trade in both goods and services. Thus the impact of developments in electronic payment systems leads to a virtuous economic cycle originating from consumers, thanks to higher availability of credit and increased efficiency in transactions, and from merchants that find themselves with a larger pool of consumers and better guaranteed payments. This increase in efficiencies is found to positively impact on GDP and trade.

Consequent on the need to transit to an electronic based transaction in Nigeria, CBN commenced the cashless policy on trial basis first in Lagos on April 1, 2012 and in July 1, 2013 it was extended to Federal Capital Territory (Abuja), Abia, Anambra, Kano, Ogun, and Rivers states. It is planned for nationwide implementation on July 1, 2014. Based on the studies carried out in the Nigerian economy within the pilot period of cashless policy implementation, it has emerged that there are many challenges associated with e-payment platforms. These challenges need to be appraised, prioritized and addressed if the nationwide rollout of the cashless policy will have a chance of succeeding. In addition to addressing the challenges associated with e-payment platforms, it is also important that the promoters of cashless policy know the core benefits of the policy from the perspective of financially active Nigerians who have had experience of the system. Such knowledge will place them in a good stead to articulate promotional interventions that will persuade many people to accept and prefer e-payment platforms as the dominant payment system in their financial transactions.

The general objective of the study is to empirically determine the factors that users consider as the major benefits and the ones they consider as the critical challenges associated with e-payment system in Nigeria. The specific objectives of the study include:

- identifying and ranking the factors that users of e-payment system in Nigeria consider as its major benefits;
- Articulating the promotional strategies and measures deriving from the determined benefit factors that will engender greater acceptance and preference of e-payment platforms by many Nigerians;
- Identifying and ranking the challenges associated with e-payment system based on Nigerian experience, into major and minor ones; and
- Specifying the measures for resolving identified major challenges of e-payment system.

To define the data needs of the study and focus the design of questionnaire, the following research questions were asked:

- What are the five most important benefits of e-payment system to Nigerian users?
- What are the five most important challenges associated with e-payment system to Nigeria users?

2. LITERATURE REVIEW

This study adopted a conceptual framework that sought to identify and rank the perceptions of Nigerians and to determine what they considered to be its benefits (advantages) and challenges (problems) based on their experience of e-payment system. To enhance the acceptance of e-payment as the dominant system for facilitating financial transactions in Nigeria many studies have been conducted recently.

One of such a study was the automated banking and the Nigerian economy in which Idowu (2005) established the reasons (benefits) for adoption of e-banking to include the following:

- Quality service enjoyed
- Great reduction in time being spent in banking halls
- Confidentiality
- Bank statement, balance etc. obtained with ease
- 24/7 service delivery
- Account could be accessed almost anywhere in the world.

In a study on the challenges of the regulatory authorities and the way forward for e-banking in Nigeria, Adewuyi (2011) articulated the following:

Money laundering, fraud, electronically generated evidence, consumer protection, job cut, possibility of core banking business being swallowed, and systems operational risks.

In a study that evaluated the performance of e-banking in Nigeria by customers, Okeke (2013) identified the following as its important advantages, significant benefits and disadvantages (challenges).

Advantages: faster processing, convenience, wider coverage, service capacity (more people can be served at the same time) and security (reduces carrying of physical cash).

Disadvantages: Cost, fraud, human factor (prefer being attended to by human beings and not a machine).

Benefits: Reduced transaction costs (ATM and internet channels are cheaper than tellers), information is readily available to all market participants on multiple providers because there are sites that aggregate information on product offerings and perfect competition (internet brings about transparent pricing and aggregation of buyers and sellers).

Another study on the acceptance and rate of attitude change among consumers in Lagos was conducted by E-Payment Providers Association of Nigeria (E-PPAN) (a non-profit organization representing the Nigerian e- payment industry and its body of stakeholders, with a holistic, result-oriented approach to driving the growth of e-payment). E-PPAN (2013) carried out the survey in Surulere LGA of Lagos state to establish current status of e-payment service delivery to the end user in Lagos and identify any barriers in application and acceptance of the cashless Nigerian policy and the pilot in Lagos state. The survey established that:

1. 66% of respondents were aware of cashless policy in Lagos.
2. 55% were aware of the withdrawal limits allowed under the policy.
3. Awareness of the cashless policy was highest among 26-35 years.
4. There are observed new changes in payment mode among the respondents.
5. There are identified challenges with e-payment channels:
 - Impact of cashless policy:
 - I do not trust this policy
 - It may fail like other government initiatives for lack of proper implementation
 - With this policy, people are no longer spending so much because they do not withdraw plenty cash any more
 - It has caused reduction in sales
 - There is insufficient and low presence of e-payment channels at various service points such as the hospitals, motor parks and other centres.

Another report on cashless policy in Lagos was presented by CBN- Electronic Financial Analysis (EFINA) (2012). The major findings of this research are that:

- Banks see e-payment as a CBN mandate, that also aligns with their long term interests and as an opportunity and a necessity to stay in a competitive market.
- Banks in Lagos report some increase in e-transactions;

- Nationwide data shows a 167% increase comparing January and August 2012 with fluctuating activity volume and value of electronic payment channels.
- Consumers have begun shifting to self-service banking channels, especially cards and ATMs, increased use of branch-based electronic transfers-especially the NIBSS instant payments (NIPs) system. But consumers complain that PoS machines are not always available.
- Increased use of ATMs, though largely still cash withdrawals, signal growing working comfort with the use of cards.
- For merchants, banks reported that corporate customers with cash-based value chains have changed their banking behavior- mandated distributors to pay for goods and services using only electronic transfers, enforced no cash deposit restriction on their bank accounts and included transaction fees in cost of goods and services if paid in cash to off-set cash processing fees for excess cash deposits.

The most elaborate study on Lagos cashless policy was conducted by FDCL (2012) on behalf of Lagos Chamber Of Commerce and Industry (LCCI). The major findings of the survey are:

- Campaign for cashless policy is overwhelming as 80% of the respondents across sectors of the economy claimed awareness for the policy;
- Over three-quarter (76%) of the respondents espoused that they use cashless facility (ATM, online, credit/master card, POS and mobile money) for their business transactions;
- The major advantages (benefits) of using cashless platforms are in a descending order- free from carrying large sum of money, make transactions faster, convenient to use, reduce frauds/theft, have access to money out of bank branch and make impulse purchase possible.
- The major reasons for not using cashless facility centred on safety and quality of service. The specific reasons mentioned include: safer to use cash (32%), high service charge (17%), customers rejection (16%), not reliable (10%), doesn't handle large sum of money (9%), prone to error (6%), increase spending (4%), not available everywhere (3%) and take time to get an ATM card (3%).
- Majority of respondents across board pointed out that cashless facility has impacted on their business transactions by reducing cash-related crimes, increased convenience of doing business, reduced cash handling cost, more payment options, and easy access to cash out of bank branch and reduced revenue leakage.
- Cashless policy has impacted on the economy in the following ways in a descending order: reduced risk of carrying large sum of money, reduced money related crimes/frauds, generated more revenue for government, facilitated business transactions, increased tax collections, created business opportunities, emergence of more mobile money companies, opened door for foreign investors, local manufacturing of PoS devices, reduced inflation rate and created employment.
- For banks /e-companies cashless policy has had the following positive impacts-speed/convenience, increased profitability, increased turnover, increased patronage and reduced congestion in the banking hall.
- Over 70% of respondents across board applaud the idea of cashless policy.
- 59% of the respondents claimed that e-payment platforms especially PoS machines as a means of cashless transaction is not reliable because of their usage experience.
- 60% of company's representatives considered service charge high, individuals (54%) and trade (56%).

- 74% of the respondents support launching the cashless policy in other states as proposed by CBN subject to stability of power supply, improved infrastructure, effective campaign to create awareness, prompt remittance, guaranteeing security for customers' data among others

3. RESEARCH METHODOLOGY

The data need of this study was defined in two broad areas. First is the articulation of core benefits of e-payment from the perspective of enlightened users of the payment system. Second is the determination of the challenges associated with the payment system again from the perspective of its users.

For the benefits of e-payment system, the study relied on the ten factors used in Technology Acceptance Model (TAM) in explaining the Perceived Usefulness (PU) of technology based services (Davis (1989) and Davis et al (1989)). These factors included the following:

1. E-payment enables me to accomplish financial transactions quicker
2. Using e-payment gives me greater control over my financial transactions
3. Using e-payment reduces my need to carry cash
4. Using e-payment increases the convenience of financial transactions
5. Using e-payment reduces incidences of fraud in financial transactions
6. E-payment application reduces the cost/bank charges of financial transactions
7. Using e-payment makes financial transactions more reliable
8. Using e-payment makes financial transactions more dependable
9. Using e-payment allows the minimization of mistakes/errors in financial transactions
10. Overall, I find e-payment helpful in my financial transactions.

To ascertain the relative importance of the benefit factors, the study requested respondents to identify and rank the first five most important factors to them based on their experience of e-payment system on a scale of 1-5, with 1 representing the most important and 5 the least most important. In calculating the cumulative points for the important benefit factors, the first most important factor was assigned a scale of 5, the second a scale of 4, the third a scale of 3, the fourth a scale of 2 and the last one a scale of 1. The aggregate point for the factors was used in ranking them from the first to the tenth.

For the challenges of e-payment system, nineteen (19) factors drawn from the Perceived Ease of Use (PEOU) under the TAM framework (Davis (1989) and Davis *et al* (1989)). Disadvantages and problems of e-payment were listed for the respondents to choose the five most important ones. The five chosen factors were ranked on a scale of 1-5 based on the experiences of the respondents. The cumulative points for each of the factors was computed based on multiples of 5 for the first most important, 4 for the second, 3 for the third, 2 for the fourth and 1 for the fifth. The aggregate cumulative point was used in ranking the factors from first to nineteenth. The nineteen factors used were:

- 1) Electronic fraud
- 2) Security at cash points/robbery attack
- 3) Trust/confidence that the platform will always work and be available
- 4) Infrastructural inadequacies/network/service failure-technology breakdown

- 5) Dispute resolution mechanism/it takes many days to reverse failed ATM withdrawal from other banks machines
- 6) Long queues at ATM points
- 7) Withdrawal/spending limits
- 8) Inconvenience of being served by machines instead of human beings
- 9) Hidden charges
- 10) Mental effort and dexterity necessary in operating the platforms
- 11) Privacy/security of customers data and financial worth
- 12) Prone to error/mistakes
- 13) Availability/accessibility
- 14) Poor customer service experience
- 15) Rigidity/inflexibility of platforms
- 16) Reliability/dependability
- 17) High costs
- 18) Legal difficulty in accepting electronically generated evidence
- 19) Ill-defined responsibilities and liabilities of banks and customers

The study relied on questionnaire as the survey instrument for collecting data on the benefits and challenges of e-payment system based on Nigerian experience of respondents. With a view to enhancing the validity and reliability of survey instrument, the initial draft of the questionnaire was pilot tested among MBA students of National Open University of Nigeria, Lagos. Based on the responses received, ambiguous statements were recast, redundant questions dropped and additional questions included to fill identified gaps. The questionnaire listed the factors and required respondents to identify and rank them based on their personal experience of e-payment system. It became imperative therefore to select respondents from a population of highly literate and financially active Nigerians who are aware of the three payment systems obtainable in Nigeria.

To meet the outlined requirements of the data collection source, the study used a population of students of Enugu State University of Technology (ESUT) Business School, located in Enugu, the capital of Enugu state in south east, Nigeria. Being an executive programme with students mostly working, drawn from all states, tribes and religions in Nigeria, the population surveyed met the requirement of financially well to do and active users of e- payment system in Nigeria. This is in line with the Grounded Theorists rule of selecting purposive samples from participants who represent the major categories of people relevant to the research(Charmaz(2003) and Henwood and Pidgeon (1993).Being a lecturer on the ESUT programme, facilitated access to the students and cooperation from them in completing the questionnaire. With a population of 550 students, the questionnaire was administered on all the willing students in MBA, M.Sc and PGD classes on the 14th and 15th of December, 2013. A total of 319 copies of the questionnaire were administered and retrieved within the two days. Given incompleteness' and inconsistency in completion 37 returned questionnaire were rejected. Thus, 282 returned questionnaires were analyzed. This gave an effective response rate of 88.40%.

The collected primary data were presented on tables and analyzed using frequency distribution and aggregation of points to arrive at cumulative points and enable ranking. Data were also collected and analyzed to define the profile of respondents.

4.0 RESULTS AND DISCUSSION

4.1 Profile of Respondents.

The profile of respondents is captured on the table in the appendix. The respondents are highly educated with 62.77% having a minimum educational qualification of first degree (BSc, BA and HND). Others hold higher educational qualifications.

The major age bracket of respondents was 30-40 years, accounting for 58.51%. The least age bracket was 60 years and above with 1.06%.

62.77% of respondents are male.

While 71.28% of the respondents are married, 25.89% are single and 1.42% is divorced.

The major income brackets of respondents were N1M-N3M (39.36%) and N3M-N5M (22.34%) per annum.

94.68% of respondents are employed with 57.80% working in the public sector and 42.420% in the private sector.

100% of the respondents have been involved with all payment system and maintain account with banks in Nigeria.

4.2 Analysis of Data Based on Research Questions

4.2.1: Research question one: what are the five most important benefits of e-payment system to Nigerian users?

Table 1: Ranking of the Major Benefits of E-Payment System Based On Nigeria Experience

Benefits	Frequency					Cumulative points	Ranking
	First	Second	Third	Fourth	Fifth		
E-payment enables me to Accomplish financial transactions more quickly	113(5)=565	46(4)=184	81(3)=243	16(2)=32	11(1)=11	1035	1 ST
Using e-payment gives me greater control over my financial transactions	29(5)=145	91(4)=364	19(3)=57	26(2)=52	18(1)=18	636	2 ND
Using e-payment reduces my need to carry cash	27(5)=135	43(4)=172	62(3)=186	43(2)=86	36(1)=36	615	3 RD
Using e-payment increases the convenience of financial transactions	16(5)=80	62(4)=248	54(3)=162	43(2)=86	23(1)=23	599	4 TH

Using e-payment reduces incidences of fraud in financial transactions	75(5)=375	8(4)=32	7(3)=21	19(2)=38	23(1)=23	489	5 TH
E-payment application reduces the cost of financial transactions	3(5)=15	19(4)=76	32(3)=96	74(2)=148	25(1)=25	360	6 TH
Overall, I find e-payment helpful in my financial transactions.	15(5)=75	10(4)=40	11(3)=33	16(2)=32	92(1)=92	272	7 TH
Using e-payment makes financial transactions more reliable	0	6(4)=24	9(3)=27	19(2)=38	11(1)=11	100	8 TH
Using e-payment makes financial transactions more dependable	0	3(4)=12	4(3)=12	14(2)=28	21(1)=21	73	9 TH
Using e-payment allows the minimization of mistakes/errors in financial transactions	0	0	3(3)=9	16(2)=32	17(1)=17	58	10 TH

Source: Field Survey, 2013

Table1 reveals that the five major benefits of e-payment system from the perspective of users in Nigeria included the following in a descending order:

1. E-payment enables me to accomplish financial transactions quicker (**1035 points**).
2. Using e-payment gives me greater control over my financial transactions (**636 points**).
3. Using e-payment reduces my need to carry cash (**615 points**).
4. Using e-payment increases the convenience of financial transactions (**599 points**).
5. Using e-payment reduces incidences of fraud in financial transactions (**489 points**).

Table1 further reveals the five least important benefits of e-payment system to include the following in a descending order:

- a. E-payment application reduces the cost/bank charges of financial transactions (**360 points**).
- b. Overall, I find e-payment helpful in my financial transactions (**272 points**).
- c. Using e-payment makes financial transactions more reliable (**100 points**).

- d. Using e-payment makes financial transactions more dependable (**73 points**).
- e. Using e-payment allows the minimization of mistakes/errors in financial transactions (**58 points**).

4.2.2 Research Question Two: What Are The Five Most Important Challenges Associated With E-Payment System To Nigeria Users?

Table 2: Ranking of Major Challenges Associated With E-Payment Transactions in Nigeria

Challenges	Frequency					Cumulative points	Ranking
	First	Second	Third	Fourth	Fifth		
Electronic fraud	126(5)=630	54(4)=216	12(3)=36	9(2)=18	9(1)=9	909	1st
Security at cash points/robbery attack	78(5)=390	15(4)=60	0	9(2)=18	12(1)=12	480	2nd
Trust/confidence that the platform will always work and be available	12(5)=60	42(4)=168	15(3)=45	6(2)=12	18(1)=18	303	3rd
Infrastructural inadequacies(network/service failure-technology breakdown)	15(5)=75	33(4)=132	30(3)=30	21(2)=42	24(1)=24	303	4th
Dispute resolution mechanism/it takes many days to reverse failed ATM withdrawal	12(5)=60	9(4)=36	42(3)=126	12(2)=24	29(1)=29	275	5th
Long queues at ATM points	3(5)=15	6(4)=24	45(3)=135	27(2)=54	9(1)=9	257	6th
Withdrawal/spending limits	6(5)=30	45(4)=180	15(3)=45	24(2)=48	15(1)=15	218	7th
Inconvenience of being served by machines instead of human beings	6(5)=30	15(4)=60	21(3)=63	9(2)=18	12(1)=12	183	8th
Hidden charges	3(5)=15	6(4)=24	27(3)=81	15(2)=30	12(1)=12	162	9th

Mental effort and dexterity necessary in operating the platforms	0	6(4)=24	12(3)=36	15(2)=30	51(1)=51	141	10th
Privacy/security of customers data and financial worth	3(5)=15	3(4)=12	18(3)=54	21(2)=42	12(1)=12	135	11th
Prone to error/mistakes	6(5)=30	3(4)=12	9(3)=27	12(2)=24	24(1)=24	117	12th
Availability/accessibility	6(5)=30	18(4)=72	9(3)=27	12(2)=24	6(1)=6	114	13th
Poor customer service experience	0	0	0	52(2)=104	5(1)=5	109	14th
Rigidity/inflexibility of platforms	0	18(4)=72	6(3)=18	21(2)=42	15(1)=15	102	15th
Reliability/dependability	6(5)=30	3(4)=12	3(3)=9	6(2)=12	6(1)=6	69	16th
High costs	0	3(4)=12	9(3)=27	3(2)=6	12(1)=12	57	17th
Legal difficulty in accepting electronically generated evidence.	2(5)=10	1(4)=4	7(3)=21	4(2)=8	5(1)=5	48	18th
Ill-defined responsibilities and liabilities of banks and customers	0	3(4)=12	3(3)=9	6(2)=12	9(1)=9	42	19th

Source: Field Survey, 2013

Table 2 reveals that the five most important challenges of e-payment system from the perspective of users in Nigeria included the following in a descending order:

1. Electronic fraud (**909 points**)
2. Security at cash points/robbery attack(**480points**)
3. Trust/confidence that the platform will always work and be available(**303points**)
4. Infrastructural inadequacies/network/service failure-technology breakdown(**303points**)
5. Dispute resolution mechanism/it takes many days to reverse failed ATM withdrawal from other banks machines (**275points**).

It also reveals the five least important challenges of e-payment system to include the following:

- a. Rigidity/inflexibility of platforms (**102 points**).
- b. Reliability/dependability (**69 points**).

- c. High costs (**57 points**).
- d. Legal difficulty in accepting electronically generated evidence (**48 points**).
- e. Ill-defined responsibilities and liabilities of banks and customers (**42 points**).

In between the five most important and the least most important challenges, the table reveals the following other factors (in a descending order):

- Long queues at ATM points
- Withdrawal/spending limits
- Inconvenience of being served by machines instead of human beings
- Hidden charges
- Mental effort and dexterity necessary in operating the platforms
- Privacy/security of customers' data and financial worth
- Prone to error/mistakes
- Availability/accessibility
- Poor customer service experience

4.3 Discussion of Findings

I. Most Important Benefits

The benefits of e-payment identified by this study are within the range determined by previous studies but the ranking is somewhat different. While this study ranked speed, greater control, reduction of the need to carry cash, increased convenience and reduction of fraud as the five most important benefits, LCCI(2012) identified carrying large money, speed, convenience, reduced fraud and access to money, Okeke(2013) listed faster processing, convenience, wider coverage, enhanced service capacity and security, while Idowu(2005) specified quality service, reduction in time, confidentiality, ease of transaction and 24/7 service delivery.

II. Most Important Challenges

While the challenges identified by earlier studies are all within the scope of the ones identified in this study, the difference is in the ranking. The major challenges of electronic fraud, security, trust/confidence, infrastructural facilities and dispute resolution mechanism identified in this study are largely within the range but are at variance with the findings of earlier studies. While Adewuyi (2011) identified the first five to include money laundering, fraud, electronically generated evidence, consumer protection and job cut, E-PPAN(2013) listed trust, reduced spending, reduction in sales and availability of the platforms, FDCL(2012) noted safety, quality of service, service charge, customer rejection and unreliability of the platforms, while Okeke (2013) specified cost, fraud and human factor.

It is to be noted that the differences in ranking for both benefits and challenges can be explained by differences in the samples of the populations studied and the circumstances of e-payment platforms that may have changed over time. As Nigerian e-payment users become more familiar and as the enabling environment and service offering capacity of the platform providers improve with time and practice, the perceptions of users will surely change and ranking of challenges assume different dimensions.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The two major issues addressed by the study and the findings deriving there from have implications for the development and enhancement of e-payment as the dominant payment system in Nigeria. The first issue was major benefits and the second was major challenges associated with e-payment system from the perspective of Nigerian users. While emphasis is being placed on major benefits and challenges, the minor or secondary benefits and challenges should not be ignored. They should also be addressed as much as possible.

The heritage of e-payment in Nigeria is building and sustaining the major benefits while the challenge is reducing and/or eliminating the challenges. The platform for promoting the use of e-payment system in Nigeria is the identification of the benefits the users consider to be major. They are to be used in designing strategic promotional interventions that will persuade and convince present users to continue to use and non-users to try, accept and prefer the payment system. The basis for reducing the challenges associated with e-payment system is identifying the major ones that should be resolved urgently if e-payment is to be accepted, used and preferred by Nigerians and if it is to facilitate financial transactions. Identification and specification of the most important challenges will also define the institution(s) responsible for minimizing and/or eliminating the challenges.

5.2 Recommendations

Given that the benefits of e-payment are definable and demonstrable, they constitute veritable tools of communicating (educating, informing, persuading and reminding) extant users to continue and nonusers to adopt/accept and prefer and it as the dominant payment option in Nigeria. The specific recommendations towards these ends include the following:

1) Testimonials

In promoting e-payment system, testimonials involving written or spoken statement extolling the features and benefits of the payment option will serve to educate, inform, persuade and remind present and potential users of the wisdom of using and preferring it over other forms of payment systems (cash and cheque). Two types of testimonials that can serve this purpose are:

Celebrity endorsements-showing credible celebrities using e-payment platforms in their financial transactions will create awareness and boost the acceptance of the payment system. Targeted demonstration of use of e-payment platforms in home videos and films will be very helpful in promoting the cause of the payment option.

Customer testimonials-satisfied customers can also be used in radio, television, social media and bill boards to tell their stories on the benefits of e-payment and its advantages over cash and cheque payment systems.

2) Incentives

Discounting of payments when made with e-payment platforms will have dramatic impact in getting many people to switch to e-payment platforms in their financial transactions. The enormous savings in transaction cost and blockage of revenue leakages which e-payment promises can justify discounts organizations, both public and private, will make on account of payment by customers using e-payment platforms.

3) Publicity/Advertising

Targeted and sustained sensitization/awareness creation campaigns by CBN, and e-payment tools/equipment manufacturers will enhance the awareness and acceptance level of e-payment platforms by critical stakeholders. Particularly such campaigns should target groups like schools, hospitals, merchants, Federal Road Safety Commission (FRSC), Immigration Service, Customs etc. to adopt e-payment platforms as the preferred payment system in financial transactions with the consuming publics.

To minimize and/or eliminate the major challenges associated with e-payment system in Nigeria, the following strategies and measures are recommended:

- a) **Minimize electronic fraud**-training of bank staff, installation of security checks in banks and service organizations, sensitization of users on how best to protect and use their cards, and training of security officers and economic and financial crimes commission personnel on tracking, arresting and prosecuting of fraudsters.
- b) **Provide security at cash points to minimize robbery** –lightening up the environment, street lights and presence of policemen especially at night will minimize cases of robbery at ATM locations.
- c) **Enhance trust/confidence that the platform will always work and be available/Reduce infrastructural inadequacies/network/service failure-technology breakdown** -regular power supply; development of ICT infrastructure that support and drive e-payment platforms will minimize network/service failure and ensure that customer service quality is maintained at satisfactory levels. The greater the confidence level that e-payment platforms will always be available and functional, the higher the adoption and preference of this payment system than others.
- d) **Streamline dispute resolution mechanism**-reduce the time it takes to reverse failed ATM withdrawal even from other banks. It will also be necessary to educate the users on the steps to take and needed documentation in resolving differences quickly anytime there are differences or issues to be resolved.

6.0 LIMITATIONS OF THE STUDY AND FURTHER RESEARCH

The major limitation of the study was the segment of the population studied. The class of respondents represented the educated elite. With a minimum educational qualification of a first degree, this is an extreme segment of Nigerian population. Given that the literacy rate in Nigeria is 61.3 % (UNHDR, 2011), a segment as educated as this group cannot represent the reality of general Nigerian situation. Another extreme of the study sample is their level of employment which stood at 94.68%. This is a far cry from the employment circumstances of the Nigerian population. The unemployment rate in Nigeria stands at 23.90 % (NBS, 2014).

Given the centrality of education and employment status of people in determining their PU and PEOU of e-payment platforms and level of financial activity respectively, the lopsidedness of the study sample in these two critical areas pose a limitation in drawing conclusions on the benefits and challenges associated with e-payment system in Nigeria. It is useful however studying this segment of the population as a basis for the articulation of targeted interventions that may be necessary in securing quick wins and building a critical mass of early adopters of e-payment system that will serve as a platform for subsequent spreading of the need for the wider acceptance of the payment system by the general population. The choice of the sample studied was therefore deliberate and strategic. It nonetheless necessitates further studies to assess the factors other less educated and less financially active Nigerians consider as the benefits and challenges associated with e-payment system in Nigeria. Other social issues like religion and tribe can also be explored in establishing the factors that define the core benefits and challenges associated with e-payment system in Nigeria.

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8.0 APPENDIX

Profile of Survey Respondents

Category	Statistics
GENDER	
Male	177(62.77%)
Female	105(37.23%)
AGE	
20-30 years	42(14.89%)
30-40 years	165(58.51%)
40-50 years	45(15.96%)
50-60 years	27(9.57%)
60 years and above	03(1.06%)
MARITAL STATUS	
Single	73(25.89%)
Married	201(71.28%)
Divorced	4(1.42%)
Widowed	4(1.42%)
GROSS ANNUAL INCOME	
Less than N1m	54(19.15%)
N1M-N3M	111(39.36%)
N3M-N5M	63(22.34%)
N5M-N7M	27(9.58%)
N7M-N9M	6(2.13%)
N9M- N11M	3(1.06%)
N11M-N13M	2(0.71%)
N13M and above	1(0.36%)
EMPLOYMENT STATUS	
Employed	267(94.68%)
Unemployed	15(5.32%)
SECTOR OF EMPLOYMENT	
Private	119(42.20%)
Public	163(57.80%)
AWARFENESS OF CASH, CHEQUE AND E-PAYMENT SYSTEMS	282(100%)
OPERATION OF ACCOUNT WITH NIGERIAN BANKS	
Yes	282(100%)
No	0(0%)
HIGHEST EDUCATIONAL QUALIFICATION	
HND/BSc	177(62.77%)
PGD	33(11.70%)
M.Sc/MBA/MPA	69(24.47%)
PhD	03(1.06%).

Source: Field Survey, 2013.

ABOUT THE AUTHOR

Dr C. I. Okeke holds a PhD in Marketing from Abia State University, Uturu, Abia State, Nigeria. He is an Associate Professor and Head of PhD and Masters Programmes Unit in National Open University of Nigeria, Lagos. He was previously a Director of Research and Consultancy in the Centre for Management Development, Lagos and Director General of Abuja Graduate School, Abuja, Nigeria