



The Impact of Using Cashless Payment during the Covid-19 Pandemic: A Case Study of Maybank

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ABSTRACT

The purpose of this study is to investigate the impact of using cashless payment during the Covid-19 pandemic. Maybank is the largest bank in Malaysia and listed as the top ranking of banking institutions. Maybank offers various types of services including cashless payment or e-payment methods. During the Covid 19 pandemic, most Malaysians would normally use their online payment since the physical distancing policy was encouraged by the World Health Organization (WHO). The study used articles, blogs, Wikipedia, and other information obtained from the website to collect data. The result shows that there are many positive impacts of using the cashless method.

Keywords: Benefits, Cashless Payment, E-Payment, Impacts, Maybank

INTRODUCTION

The Corona Virus Disease 2019 (Covid-19) is caused by the SARS-Cov-2 virus that spreads between people, mainly when an infected person is in close contact with another person. Due to this disease, most countries around the world including Malaysia, need to slow down their economic activities. This pandemic has brought many changes to humans and economic disruption due to quarantines and border closures, albeit on a smaller scale. It brings significant effects on most industries (Chua et al., 2020).

Covid-19 can spread in many ways. One of them is through the money that we use as a medium to buy our daily needs when an infected person touches this money. Therefore, WHO suggested digital money (cashless) when possible. Malayan Banking Berhad (also known as Maybank) is a Malaysian bank that offers cashless payment or e-payment. The electronic payment system is composed of online credit card transactions, e-wallets, e-cash, value systems online stored, digitally collecting balance systems, wireless payment systems, and digital check payment systems (Junadi, 2015).

Maybank provides its cashless payment service with Scan & Pay through the Maybank2u MY App and the MAE app. Also, Maybank has Maybank Visa Debit to withdraw cash but at the same time it functions like a credit card. Before the outbreak occurs, the users of the cashless payment method in Malaysia are about 11.9 Million. Maybank elevates its



digital focus by collaborating with GrabPay from the Grab Company. This collaboration is beneficial especially during this outbreak as people are limiting their physical contact with others to reduce the spread of COVID-19.

In recent months, the Covid-19 pandemic has impacted various fields, including cashless service payment companies, from many perspectives, for example, the increasing usage of contactless payments and the adoption of e-wallets. As the number of cashless users increases, the e-commerce share of total global retail sales increases, besides helping small and medium-sized enterprises do business during a movement control order (MCO). By going cashless, people can avoid handling physical cash completely and minimize human contact. Besides e-wallets, Islamic authorities approved online *zakat* (tithe) payments on Ramadan, and Maybank has temporarily waived merchant transaction fees because of the MCO. That alternative works to encourage contactless payments while it can help reduce the spread of Covid-19.

Besides, with the pandemic's current wave, Maybank creates a solution that enables Maybank to prioritize its customers' safety. Maybank Bhd has launched Maybank EzyQ, an online appointment management system for customers, making it the first bank in the country to introduce such a facility in its banking services (NST Business, 2020b). This has led to the introduction of Maybank EzyQ, which hopefully will bring a better experience and convenience for the customers. This is because customers have the opportunity to choose their preferred date and time slot for the branch or PWC they wish to visit, as well as the services they would like to perform such as account opening, debit card inquiries, and product advisory. Therefore, customers can lessen waiting time and prioritize personal safety by using Maybank EzyQ to make an appointment online.

Finally, the advantages of using cashless payment are widely available facilities, safety, and simplicity. If we use cash payment, there are high costs to produce, transport, and store cash, as well as safety risks - from armed robberies. Besides, a cashless payment service provides many facilities for local traders, including security and convenience. The platform provides a more extensive payment network using credit cards, debit cards, and currency exchange services. Through this method, society can grow their business by attracting visitors or customers from abroad to buy their products online. Cashless payment service like Maybank2u is favorable by consumers as the price for the product or services is cheaper.

Pandemic COVID-19 has brought a new change for Malaysians. Everything we do must be in contactless to each other to flatten the curve of cases. The World Health Organization (WHO) urged the public to use cashless transactions to minimize physical interaction. E-payment has widely been used by Malaysians. Maybank is one of the trusted financial organizations that have its e-payment platforms such as Maybank QRPAY, and Maybank2U (M2U). During the pandemic, physical and social distancing is to prevent this virus transmission through physical transactions of money. This leads most Malaysians to shift to cashless payment. The novel coronavirus also changes consumer behavior in Asia, including Malaysian consumers (Nielsen, 2020). People are staying at home because of the government policy of physical distancing or self-quarantine. Most of them try to use anything contactless. In Malaysia, it was reported that some delivery



companies had recorded more than a 30 percent increase in orders since the Movement Control Order (MCO) was enacted on 18 March (The ASEAN Post, 2020).

The Covid-19 has a deadly effect not only on humans but also on business in Malaysia. The economic situations are not in good condition because of this pandemic. Many people are struggling to survive this pandemic. NST Business (2020b) reported 70% of Malaysians support this country going cashless and 62% believe this can be achieved within the next five years. Also, 69 % of Malaysian respondents choose to use e-payment methods. They prefer to use cashless since many merchants use cashless payments and 65% said it is due to security issues when carrying cash.

Nowadays, Malaysians are moving forward as a cashless society. The government also offering an award payment of RM30 (about \$7.37) under its e-Tunai Rakyat (people's e-cash) program (PYMNTS, 2020). Also, digital payments are expected to surge by 10.8 percent after the program's implementation and hit roughly \$17 billion over the next three years.

A Customer Satisfaction Index (CSI) survey was conducted in 2017 to assess consumers' experiences with banks' services in Malaysia (Maybank, 2017a). Generally, the Malaysian banking sector scored an overall CSI of 74.3, an improvement of 4.3 points (or 6.1%) against the CSI score recorded for 2013 (70.0). It shows that Maybank has a good reputation in its field as a financial organization. Maybank has introduced a cashless payment using a QR code called 'Maybank QRPay' since 2016 and making Maybank the first bank to introduce such a service in the country (Maybank, 2017b). Their objective is to change the act of making traditional cash payments into something safer and instant, allowing Maybank customers to make free payments simply by scanning their mobile devices to code.

Technically, the e-payment platform can be a highly efficient method of payment during this period. Moreover, e-payment can be an alternative payment system to support the government in reducing the spreading risk of Covid-19. Several earlier studies consistently found that perceived usefulness is a strong predictor of intention to use e-money (Aji, Berakon, & Husin, 2019), and in explaining why consumers accept technology or application. A cashless society could give huge impacts and benefits. It will help us reduce security costs when withdrawing cash from the bank, transporting, and counting. Everything will become easy if we use e-payment in our daily life.

RESEARCH METHOD

We used a few methods and techniques to collect and analyze the data about the impact of using cashless payment (Maybank) during the Covid-19 pandemic. We collected some data from Maybank official websites (<https://www.maybank.com>), from which we got rational and suitable information. Also, we can get a lot of relevant information about how Maybank reacted against the impact of using cashless payment during the Covid-19 crisis and their strategy to maintain the service stay going. At the same time, we also collected data from another website to get more information about Maybank services.



Besides, we also used primary data to obtain more reviews from people from different perspectives. We had designed a questionnaire consist of a few sections for the respondent to answer. The number of respondents involved in this survey is 125 respondents from different backgrounds and races. They are users of Maybank services. Due to the Covid-19 pandemic, this survey was conducted through the medium of Google Form and distributed through social sites such as WhatsApp, and Facebook. All responses were analyzed and an appropriate graph will be used to summarize all data collected. The main purpose of using this primary data is to gain information on Maybank users' level of satisfaction on cashless payments during pandemic Covid-19.

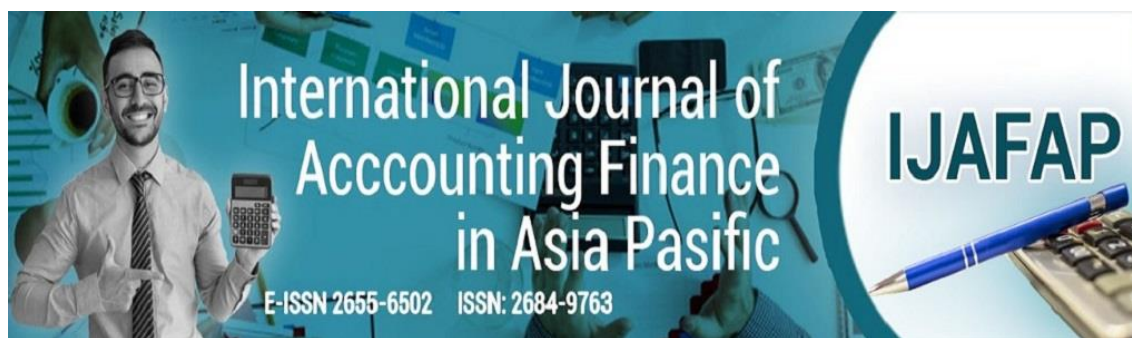
We also collected data of literature reviews from various sources, including journals, social media, and articles on the web regarding the cashless payment that Maybank used. This helps us understand more about the mission, vision, and purpose of cashless payment introduced by Maybank. Also, we referred to a few articles to gain more feedback, comments, or review from Maybank's users regarding this case. It allows us to see some people's responses. We took all the feedback to discuss in detail.

RESULTS AND DISCUSSION

A set of questionnaires is designed and distributed to respondents to collect the data regarding the impact of using cashless payment (Maybank) during the Covid-19 pandemic. It consists of four sections (A, B, C, and D). The questions asked respondents about their backgrounds such as age, and nationality. The other sections are about accepting using Maybank applications, the enrolment of respondents to become a cashless society, and the feedback of using Maybank application. Since the Covid-19 pandemic is not yet ended, we distributed the questionnaire through Google Form to avoid physical touch and contactless.

Table 1. Summary of Respondents' Demographics (N=125)

Response	Frequency	Percentage (%)
Gender		
Male	27	22
Female	98	78
Age		
10 - 19	6	4.8
20 - 29	108	86.4
30 - 49	4	3.2
40-49	2	1.6
Above 50	5	4
Nationality		
Malaysia	125	100
Races		
Malay	105	84
Chinese	13	10.4
Indian	7	5.6



Occupation		
Employed	18	14.4
Unemployed	4	3.2
Student	103	82.4
Monthly Income		
RM2,500 and below	116	92.8
RM2,501–RM5,000	5	4
RM5,01 – RM10,000	4	3.2

Table 1 presents the summary of respondents' profiles. A total of 125 respondents who were Maybank's customers, participated in the survey. It concludes that most of the respondents are female (78%). By the respondents' age, the majority of the respondent are between 20 to 29 years old (86.4%).

By the respondents' nationality, all of them are Malaysian. By race, they are Malay (84%), Chinese (10.4%), and Indian (5.6%). Based on respondents' occupations, the largest number is students (103 respondents), followed by the employed (18 respondents). Also, the survey shows that the highest number of respondents (92.8%) have an average income of average between RM2, 500 and below.

Table 2. Cashless Payment of Maybank

Response	Frequency	Percentage (%)
Have you used the service provided by Maybank?		
Yes	104	83.2
No	21	16.8
Do you prefer cashless payments or physical transactions?		
Cashless payment	100	80
Physical transaction	25	20
Which service of cashless payment do you prefer?		
Maybank Qr code	11	8.8
Debit card	46	36.8
Credit card	3	2.4
Maybank 2U apps	65	52.0
How often do you use Maybank cashless payment services?		
Everyday	10	8.0
Once a week	26	20.8
Two or three times a week	39	31.2
Once a month	37	29.6
Never	7	5.6
Depends	6	4.8
Are you satisfied using Maybank service for cashless payment?		
Very good	58	46.4
Good	50	40.0
Average	17	13.6
Poor	0	0



Very poor	0	0
Compared with other bank services, do you prefer Maybank?		
Yes	104	83.2
No	21	16.8

Table 2 shows that 16.8% of respondents do not use Maybank's service. This means that many people still do not know about the services provided by Maybank. This survey also shows 80% of respondents are preferred cashless payments compared to physical payments, implying most people like to use cashless payments because it can help people make payments without having to exchange banknotes. This can avoid being exposed to the coronavirus. According to Kamel (2019), Malaysia is fast becoming a cashless society, with 70% of the consumers preferring merchants that accept digital payments compared to those that only accept cash. The total value of consumer spending on Visa and the number of transactions have increased double-digit percent year on year. Higher usages of digital payments are expected to be seen among merchants including large shopping malls (65%), supermarkets (60%), and bill payments (57%).

The majority of respondents used Maybank cashless payment services two or three times a week while other 29.6% of respondents used the service once a month. In addition, 104 respondents prefer Maybank to other bank services.

Table 3. Customer Changing Behavior During the Lockdown

Response	Frequency	Percentage (%)
Are you ready to become a cashless society?		
Yes	107	85.6
No	18	14.4
Can you accept the change during this pandemic to use cashless payment?		
Yes	121	96.69
No	4	3.31
Has Maybank provided many facilities to its customers during the Covid-19 pandemic?		
Yes	105	84
No	20	16
Can you share with us your most favorite facilities offered by Maybank?		
Maybank2u app	40	32
QR Pay	4	3.2
Other	16	12.8
Not sure	65	52
During this pandemic, most of your spending for what purposes? (Check all that apply)		
Groceries	78	62.4
Medicines	12	9.6
Bill payments	57	45.6
Other	34	27.2



Table 3 shows that the majority of the respondents are ready to become a cashless society as 85.60% agreed and 96.69% stated that they can accept the change to use cashless payment. The pandemic brings many changes to us insisting us to accept it and practice it in our daily life. Also, 105 respondents (84%) agreed that Maybank has provided many facilities for them. This proves that Maybank has provided its best services to fulfill its customers' needs when a crisis happens.

Maybank cashless payment services (including Maybank2u app, and QR Pay) are available for Maybank users to access. Among these services, the majority of the respondents are not sure about their favorites. It shows that 52 are still not aware of Maybank facilities in the financial sector, while 32% choose Maybank2u app as their favorite. According to the questionnaire, 78 respondents (62.40%) stated that they spent more on groceries than other spendings. The findings of the present study confirmed the relationship between perceived stress and both fears of limited access to food and purchases of larger quantities of food than usual (e.g., Jeżewska-Zychowicz, Plichta, & Królak, 2020). The overall sale of e-commerce increases because of people avoiding to go out, keeping social distance, buying from home, and working from home making grocery e-commerce such as Walmart increases by 74% (Bhati et al., 2020). For another spending, 27.2% of respondents stated that shopping online is their main spending when using cashless payment. Online communication, online entertainment, and online shopping show extraordinary growth (Donthu & Gustafsson, 2020)

Table 4. Customer Satisfaction Towards the Positive Impacts of Using Cashless Payment by Maybank

Response	Frequency	Percentage (%)
Cashless payment by Maybank can control the users' spending habits as they can see the money transactions through the apps. (Scaling)		
1 – Strongly Disagree	3	2.4
2 – Disagree	7	5.6
3 – Neutral	29	23.2
4 – Agree	40	32.0
5 – Strongly Agree	46	36.8
Cashless payment by Maybank can avoid the physical contacts and cash handling during this pandemic to maintain hygiene. (Scaling)		
1 – Strongly Disagree	1	0.8
2 – Disagree	0	0
3 – Neutral	10	8.0
4 – Agree	29	23.2
5 – Strongly Agree	85	68.0
Convenience as users just need to bring debit cards or credit cards or just a smartphone to perform the transactions (Scaling)		
1 – Strongly Disagree	1	0.8
2 – Disagree	2	1.6
3 – Neutral	12	9.6



4 – Agree	28	22.4
5 – Strongly Agree	82	65.6
Users can save their time in banking, transit, and retail transactions as this can be done through the apps provided by Maybank. (Scaling)		
1 – Strongly Disagree	2	1.6
2 – Disagree	0	0.0
3 – Neutral	18	14.4
4 – Agree	25	20.0
5 – Strongly Agree	80	64.0
Banking is widely accessible as most companies are beginning to collaborate with Maybank to implement these cashless payment methods. (Scaling)		
1 – Strongly Disagree	0	0.0
2 – Disagree	0	0.0
3 – Neutral	19	15.2
4 – Agree	27	21.6
5 – Strongly Agree	79	63.2

Table 3 shows that 68.8% of respondents agreed that the cashless payment of Maybank can control the users' spending habits as they can see the money transactions through the apps. This shows that the apps are highly beneficial. They are also mobile-friendly and highly secure as they provide fingerprints and password login every time we need to access them.

Besides, 91.2% of respondents agreed that Maybank cashless payment can avoid physical contacts and cash handling during this pandemic to maintain hygiene. This indicates their preference to use the cashless payment. This makes the users of cashless payments in Malaysia increase rapidly during the pandemic. People tend to learn something new that aligns with this new normal as they know the importance of hygiene and how the virus can spread.

Also, 65.6% of respondents strongly agreed that cashless payment is convenient as the users only need to bring debit cards or credit cards or just using a smartphone to complete the transactions. They do not have to take money from the bank as they could just scan the barcode from the shop. It is easier for them since this did not require more space to store the money as we only use cards and phones.

Among the 125 respondents, 84% of them agreed that users can save their time in banking, transit, and retail transactions as this can be done through the apps provided by Maybank. The results show that users' confirmation of expectations regarding e-payment services positively affected their satisfaction with e-payment. In general, the respondents want the e-payment service to be efficient to use by everyone. Simple app processes will help them to save time and avoid unnecessary difficulties.

The majority of the respondents, 84.4% agreed that banking is widely accessible as most companies are beginning to collaborate with Maybank to implement these cashless payment methods. Mobile-only banks with digital wallets are offering lending and



payment services to the underbanked population in Asia, the Middle East, and sub-Saharan regions. This showed that banking also can be widely accessible by especially customers during the pandemic. Therefore, Maybank has started to provide banking to enable customers to perform banking services including transferring money, making transactions, and checking bank accounts that can be used anytime and place via portable technologies such as smartphones and tablets.

Our project results lead to a conclusion that cashless payments give an impact on our lives. We believe that the number of Covid-19 cases in Malaysia has influenced people to adapt to this kind of payment transaction. Maybank has provided many services that can help their customers to make any money transaction in convenient ways. Through this study, we can see that Covid-19 has changed the existing trend for payment transactions among Malaysian. We can see that Maybank's reputation as one of the trusted financial organizations has proved. Maybank2u app has been used widely among their customers during this pandemic to ensure that any physical contact can be avoided. Maybank has played its role to support WHO that urged people to minimize physical interaction.

CONCLUSIONS

The cashless payment trend does have an impact on the customer. Global trends such as the Covid-19 and technology improvement, which change people's behavior to focus on the cashless payment method will influence the experience of using Maybank services. Research has found out that many respondents are satisfied with the usage of cashless payment methods on the Maybank2u app or other e-payment platforms. Maybank and other financial institutions should update the latest technology to own customers' trust and increase their satisfaction. Many respondents also agreed that the recent outbreak of the Covid-19 indeed brings a positive impact on the cashless payment method to break the chain of infection of this virus and stay hygiene. However, financial institutions should take the solutions to assist the customers with difficulties in using a new method of a payment transaction since it will help increase customer satisfaction and bring a good image for the organization. People still think that the online payment system has many financial risks that may occur during the transaction process.

The present study provides an insight into how cashless payment can give a positive impact on people; however, some limitations need to be considered. First, our respondents are mostly students, and their nationality are Malaysian. As students, their spending only for themselves, so we cannot conclude that people who have their own family agree with this study. Variations among respondents are limited as we just randomly shared our survey forms through Google Forms. We believed that people who support their families know better about their spending patterns with cashless payments. Second, our study is only specific to Malaysians who use cashless payments that Maybank has provided even there are many other kinds of financial institutions in Malaysia. Lastly, we are using a survey that focuses on this pandemic, so it is short-term research for the impact of using cashless payment.



However, the survey could be of potential use beyond Malaysian, not only in designing further research that allows to observe the impacts of using cashless payment but also in developing strategies to improve the financial institutions' services during a crisis for gaining more trust from the public. In the future, cashless payment will be practiced as it can give us many benefits, so financial institutions need to upgrade their services to increase their customer satisfaction. Our strength in this study is the fact that the survey was conducted during the lockdown in Malaysia. Therefore, the results are not self-experience bias from another period.

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