

The Acceptability of the Cash Loading System on On-Line Purchases and Other On-Line Transactions

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Abstract: *The fourth industrial revolution which is characterized by highly digitalized system, has changed the way we do almost everything. That includes the financial system that has exerted pressure to go on-line as in the case of electronic money. One of the variants of e-money is the use of Card Loading System. In card loading system, the accountholder opens an account and given the card that stores the value loaded into it. The assigned account number becomes the source of payment as well as the recipient of the amount of cash being loaded to the account. This system is exposed to cybersecurity issues, such as identity theft, reason that a number of people are hesitant to use even the simplest on-line transaction. This article will walk through us on the hypothesis that by and large, people have issues on the acceptability of card loading system. Using the survey method among an identified group, the acceptability of the system has been determined. There is a moderate acceptability on the use of the system among those exposed into on-line transactions, while surprisingly, those who are still using cash as the source of payment for settling their on-line transactions have high acceptability.*

Keywords: *Cash Loading System, Cashless Society, Cybersecurity, Electronic Money, Identity Theft*

I. Introduction

The fourth industrial revolution is characterized by the age of highly electronic methods of doing almost everything, especially in doing business. Financial system is part of the aspects of business and even individual transactions that have highly adapted the digitalization in capping transactions by settling on-line. Ordering, purchasing and settlement of these purchases are done electronically, where buyers and sellers need not to see each other. It is known as cyber physical systems (Schwab, 2018). Among these is the use of card loading system, a subset of an electronic money system (e-money) that facilitates funding to an account used to settle purchases and other exchanges of transactions (“E-money platforms: opportunities for digital payments”, n.d.). In card loading system otherwise known e-loading system, the accountholder opens an account and given the card that stores the value loaded into it. The assigned account number becomes the source of payment as well as the recipient of the amount of cash being loaded to the account.

But there has to be recognition of the risks of cybersecurity threats and massive scale misinformation through digital media. The financial system has been the target of identity theft such that there is distrust in the on-line transactions involving money in some people. For this reason, number of people are hesitant to use even the simplest on-line transactions, on the account of the risk mentioned above.

While UK has reduced the use of actual money to 30%, and Sweden is managing with 2%, and South Korea is planning a complete cash less society by 2020, it could be harder for the less economically developed countries (Fraiser, 2019). Experts have predicted the future form of money as the result of the distrust on on-line transactions due to identity theft, among other on-line frauds (Fraiser). Identity theft happens when personal or financial information of another person for sole

purpose of assuming that person's name or identity to make transactions or purchases (Kagan, 2019). Many instances of identity theft happened.

Settlement of purchases are made through credit cards, bank fund transfers, and many more. But cybersecurity issues can be a major challenge in the trust and confidence of people. Thus, the hypothesis that by and large, people have issues on the acceptability of card loading system. This article also aims to determine the acceptability of the system among grouping of usual transactions engaged, among those with and without credit cards, those who have necessity to purchase and to settle on-line, and finally, in terms of the current bills settlements used.

II. Methods

This article employed the descriptive research design using the survey method among 257 respondents who were willing to answer the google form survey from the 1,400+ prequalified individuals among the author's friends in Facebook from all walks of life from the different locations. Convenient sampling was based on their availability at the time of the survey was posted. The 257 respondents were considered representative based on the Slovin's Formula. Data gathered were processed by determining the frequency and percentage distribution, and ranking. Also, means were determined from the responses on the 10-point Likert Scale questionnaire to determine the level of acceptability with the use of Weighted Arithmetic Mean.

The mean and verbal description are as follows:

- 9.51 – 10.00 Extremely Acceptable**
- 8.51 – 9.50 Strongly Acceptable**
- 7.51 – 8.50 Strongly Acceptable**
- 6.51 – 7.50 Highly Acceptable**
- 5.00 – 6.50 Moderately Acceptable**
- 4.50 – 4.99 Moderately Acceptable**
- 3.50 – 4.49 Highly Unacceptable**
- 2.50 – 3.49 Strongly Unacceptable**
- 1.50 – 2.49 Strongly Unacceptable**
- 1.0 – 1.49 Extremely Unacceptable**

III. Results and Discussion

Table 1. Frequency and Percentage Distribution of the Respondents in Terms of Familiarity on the Card Loading System

Familiarity on Card Loading System	Frequency (N)	Percentage	Rank
No, I have not yet heard of it	113	43.97%	1
Yes, I am familiar, but I have no such account	103	40.08%	2
Yes, I am familiar, and I have one	41	15.95%	3
TOTAL	257	100%	

Card Loading System (CLS) Holding	Frequency (N)	Percentage	Rank
CLS Account Holders	41	15.95%	2
Non-CLS Account Holders	216	84.05%	1
TOTAL	257	100%	

Table 1 shows that those who have not yet heard of card loading system ranked first (43.97%), followed by those who have heard of such account (40.08%); and the least (15.95%) are those who familiar and are holder of card loading system. This is consistent with the number of those who have no card account which is majority (84.05%), and only (15.95%) are card loading system account holders.

This means that while s majority of the respondents are familiar with the card loading system, only few are actual card holders of such kind of account. This could be attributed to the identity thefts and other frauds happening as its transactions would use on-line transfer of funds, where personal and financial information are involved. They will prefer use of cash in settling transactions.

Table 2. Frequency and Percentage Distribution of the Respondents in Terms of the Transactions Engaged

Usual Financial Transactions	Frequency (N)	Percentage	Rank
Bank Account Deposit	126	26.03%	2
Bills Payment	169	34.92%	1
Cash Basis	2	0.41%	7
Fund Transfer	58	11.98%	4
None	15	3.10%	6
Remittances	46	9.50%	5
Settlement of On-line Purchases	68	14.05%	3
TOTAL	257	100.00%	

Credit Cardholding	Frequency (N)	Percentage	Rank
With Credit Card	152	59.14%	1
No Credit Card	105	40.86	2
TOTAL	257	100%	

Necessity to Purchase On-line	Frequency (N)	Percentage	Rank
With Necessity to Purchase On-line	126	49.03%	2
Without the Necessity to Purchase On-line	131	50.97%	1
TOTAL	257	100%	

Necessity to Settle On-line	Frequency (N)	Percentage	Rank
With Necessity to Settle On-line	111	43.19%	2
Without the Necessity to Settle On-line	146	56.81%	1
TOTAL	257	100%	

Current Bills Settlement Used	Frequency (N)	Percentage	Rank
Payment Centers	104	40.47%	1
Credit Card	67	26.07%	2
Debit Card	33	12.84%	4
Payment Platforms	9	3.50%	6
Remittance Centers	44	17.12%	3
TOTAL	257	100.00%	

This table shows that the greatest number of usual transactions done by the respondents, ranked first (34.92%) are on bills payments, followed by bank account deposit of 26.03%, settlement on on-line purchases being in the third. Majority of 59.14% are credit cardholders, and 40.03% are non-credit card holders. Majority of the respondents (50.97%) have no necessity to purchase on-line,

and some 49.03% are credit cardholders. Majority are those without necessity to settle on-line (56.81%), and with the necessity to settle online (43.19%). Individuals who use the payment centers, ranked first (40.47%) followed by those who use credit cards (26.07%), and third, are those who pay through remittance centers (17.12%).

Table 3. Frequency and Percentage Distribution of the Respondents in Terms of the Source of Payment on Certain Transactions

Source of Payment on Remittance	Frequency (N)	Percentage	Rank
Cash	174	67.70%	1
Credit Card	25	9.73%	3
Debit Card	58	22.57%	2
TOTAL	257	100%	
Source of Payment on On-line Purchases	Frequency (N)	Percentage	Rank
Cash	135	52.53%	1
Credit Card	69	26.85%	2
Debit Card	53	20.62%	3
TOTAL	257	100%	
Source of Payment on Bills Payment	Frequency (N)	Percentage	Rank
Cash	179	69.65%	1
Credit Card	32	9.73%	3
Debit Card	46	17.90%	2
TOTAL	257	100%	

This table shows that the majority opted cash as source of payment for money transfer or remittance (52.53%), followed by credit card (26.85%), and the least is debit card (9.73%). The majority also opted cash as source of payment for settling on-line purchases (52.53%), followed by credit card (26.85%) and the least is debit card (20.62%). The majority, likewise, opted cash as source of payment for bills settlements (69.65%), followed by debit card (17.90%), while the least option is the use of credit card (7.93%).

Still, respondents have hesitance in using either credit card or ATM as the source of payment on their remittances, on-line purchases, and bills payments. Cash is still the preferred medium of settlements on these kinds of transactions.

Table 4. Mean and Rank of the Acceptability of the Prepaid Card Loading System by the Respondents in Terms of their Familiarity

Familiarity on the Prepaid Card Loading System	Mean	Rank	Verbal Description
No, I have not yet heard of it	5.81	3	Moderately Acceptable
Yes, I am familiar, but I have no such account	6.93	1	Highly Acceptable
Yes, I am familiar, and I have one	6.29	2	Moderately Acceptable
Prepaid Card Loading System Holding	Mean	Rank	Verbal Description
CLS Account Holders	6.04	2	Moderate Acceptable
Non-CLS Account Holders	6.93	1	Highly Acceptable

Table 4 shows that the prepaid card loading system is highly acceptable to those who are familiar with cash loading system, but have no such account, being in the rank first ($\bar{x}=6.93$); however, it is only moderately acceptable ($\bar{x}=6.29$) to those who are familiar and have cash loading system accounts. It is highly acceptable to non-Cash Loading System holders ($\bar{x}=6.93$) than the Cash Loading System holders ($\bar{x}=6.04$).

Ironically, those who have no card loading system account, but are familiar with the system have high acceptability of the system, while the cardholders and, understandably those who are not familiar, have only moderate acceptability.

Table 5. Mean and Rank of the Acceptability of the Prepaid Card Loading System by the Respondents in Terms of their Transactions Profile

Usual Financial Transactions	Mean	Rank	Verbal Description
Bank Account Deposit	6.34	3	Moderately Acceptable
Bills Payment	6.33	4	Moderately Acceptable
Cash Basis	7.50	1	Highly Acceptable
Fund Transfer	6.43	2	Moderately Acceptable
Remittances	6.13	6	Moderately Acceptable
Settlement of On-line Purchases	6.28	5	Moderately Acceptable
Credit Card Holding	Mean	Rank	Verbal Description
With Credit Card	6.36	1	Moderately Acceptable
No Credit Card	5.92	2	Moderately Acceptable

This table shows that the card loading system is highly acceptable ($\bar{x}=7.50$) to the respondents who usually transact on cash basis, followed by a moderate acceptability ($\bar{x}=6.43$) by those who usually transact fund transfer, and thirdly, by those who do usual bank account deposits ($\bar{x}=6.34$). While it is the least moderately acceptable to those who are frequently having remittance transactions. It is moderately acceptable to both respondents with credit cards ($\bar{x}=6.36$), and those with no credit cards ($\bar{x}=5.92$), respectively.

It is also ironic that those who are still using cash in settling transactions have high acceptability of using cash loading system. This could be out of curiosity. All have only moderate acceptability those who usually transact fund transfer, bank account deposit, bills payments, settlement of on-line purchases, and remittances. Whether cardholders or non-card holders have only moderate acceptability of the system.

IV. Conclusion

The readiness of any society to do away with use of notes and coins will depend on its trust and confidence on on-line transactions. It would all depend on how the monetary systems will install cybersecurity on all types of financial transactions, and how its citizen perceives on the safety nets done by its government. The new fad in the market characterized by the fourth industrial revolution, a variant of electronic money called, card loading system otherwise known as e-loading system, is also subjected by the society to a big decision whether to use or not to use because of various issues on security.

This paper has walked through us on the familiarity of the system, acceptability of its use depending on the group and types of usual transactions, credit card holding, on-line purchases and settlements, source of payment. The study is based on the responses of people from all walks of life from different location.

While majority are familiar with card loading system, only few are the actual account holder. Ironically, the non-card holders have high acceptability of the card loading system, while those who are holder, are just having moderate acceptability. Those who are engaged in bills payments, settlement of on-line purchases and bank account deposits, being the top 3 usual transactions done, have only moderate acceptability. Surprisingly, those who are paying on cash basis, have high acceptability on the card loading system. Whether credit cardholder or not have only moderate acceptability on the system. Its moderate acceptability can be attributed to the fact that as variant of on-line transaction, card loading system is exposed to cybersecurity issues. Those who are still unaware of the risks are those that are plainly using cash as source of payment, they are the ones who have high acceptability of the system. The hypothesis that by and large, people have issues on the acceptability of card loading system, can be rejected as there is, at the very least, a moderate acceptability on it, despite the issues on cybersecurity.

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