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MONEY AND ITS DIFFERENT USES

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Abstract: Currently money has different uses, the situation of the dilemma of the use of money is exposed, during these years of pandemic, where the use of cash was a health risk, giving priority to the use of electronic money. Likewise, the problem questions the use of digital money and reducing cash, seeking to generate greater confidence in using devices to manage it. Finally, certain solutions are proposed in cases where people have been benefited by using mobile devices to manage money. It is important to mention that the foregoing is verified by an investigation carried out by MasterCard, projects by private Mexican and government companies, and citations from official pages of Bando de México.

Keywords: Electronic Money, Cash, Internet, Mobile Devices.

INTRODUCTION

Mexico declares itself in a state of pandemic in 2020 due to Covid-19, causing unemployment and loss of a family member. Thanks to isolation, banking institutions innovated in technology to be closer to their customers and meet all their needs in a digital investment application or platform, simplifying the entire financial management process, in the purchase and sale of shares and savings funds, among others. The procedure and application of these are carried out from a computer or cell phone, without the need to go to a bank branch.

DESCRIPTION OF THE METHOD

Money in times of pandemic has had changes on the use of cash and electronic; its use in cash has decreased and its electronic use has increased, due to the new modalities or uses that are made through a mobile device, from a job at the time you receive payment in a deposit to a debit, savings, investment account and make payments for most used services.

During the pandemic on the issue of banking infrastructure and cash, in the survey conducted by the Bank of Mexico: “reported that 33% of demand has decreased the use of ATMs, taking into account the example of CoDi (Digital Collection) and SPEI (Interbank Electronic Payment System) that before the pandemic only .5% of respondents used SPEI and this percentage increased to 4%, due to the need to make payments” (Bautista, 2021, para. 7), giving priority to the use of electronic money and meeting people’s needs.

Now, in the interview with Forbes Mexico, MasterCard’s director of Digital Solutions for Mexico and Central America, Gabriela Ugarte: “mentions the issue of touching fewer things being something that came to stay, with an informative fact that 62% of consumers stopped using less cash in these months” (Noguez, 2020, para. 4), in such a way that in a pandemic, touching cash could be a risk of contagion of COVID-19, benefiting the use electronically.

In relation to this issue, reports Minsait, a company specialized in consulting and digital transformation and information technology: “in Mexico, online card payments increased 62% of total purchase spending, while 25% paid with money in cash, (Aguilar, 2019, para. 11), thus being a way to reduce time to make payments for any type of service, both in private and government companies.

Mexico is one of the countries with the most evolution towards digitization, likewise 7 out of 10 Mexicans have changed the use of cash for electronic money: “the use of digital banking and applications expected growth in the next 5 years and for the first 6 months of 2020, that expected growth was obtained” (Solunon, 2020, para. 9-10), due to this rise it indicates that there are more people who are confident with the use of electronic money and that it has this facility to perform any operation.

On the subject of savings, Banxico Educa on the use of cash in times of pandemic: “32% of the Mexican population saves informally, the last option being a banking institution” (Banxico Educa, 2021, par. 4), likewise, people who save informally are safer with their money than having it in a bank, but it is a mistake, since the money can generate some return and generate greater savings.

That is why the Mexican Institute for Competitiveness (IMCO) says: “Learning levels are low, and the first step to take advantage of technology is to identify how to use it to support our daily needs” (Chávez, 2020, para. 2), the misuse of mobile devices by people and the ability to use them anywhere, are a problem for better use and also cause better use of money and grow the country’s economy.

Lastly, despite the fact that the country has problems regarding the use of technology, in The State of App Marketing Latin America 2021 report, carried out by AppsFlyer, App Annie and Business Insider: “mobile app downloads in 2020 in Mexico were greater than in any other country in Latin America” (Insider, 2021, par. 2), being so, that the population is not illiterate, rather it is necessary to take advantage of the resources.

Money in times of pandemic has been constantly changing in its use, one of them is in electronic form, being a topic of great importance and more in times of pandemic, on the other hand it has caused to satisfy needs, such as reducing times in lines of private companies and government agencies, also being able to make a transfer more easily, as it is favorable as it is not for other people, due to the location, type of network, mobile use and knowledge of managing applications.

Within this topic, it is understood that by 2019, “7 out of 10 Mexicans use financial technology, placing Mexico in eighth place out of 27 countries listed worldwide with the

highest rate in the use of service applications” (Gutiérrez, 2019, paragraph 1), on the other hand, the use of financial technology in certain communities is not accepted, due to the lack of a mobile device, internet and electricity, such as, for example, the research carried out by MasterCard on the people’s reasons for not using financial technology, as a result of this research, the people who participated were able to observe that electronic money is a benefit, despite the fact that a percentage of service has to be paid for digital payment, people who have stores obtained an increase between 15% to 20% in their total sales.

Likewise, generating 100% confidence in the use of a mobile for the use of electronic money will be complex, because there are applications that are not safe and are used by users, causing money losses and total confidence in the money within a mobile, this is the result of the financial culture that each person has, and the lack of education on personal finances.

The new way of using money: The purpose of this section is to raise awareness in the use of applications and electronic money to reduce times, increase sales in businesses and also carry out each process in communities where the use of a mobile device and the Internet is scarce, due to the fact that had a big change during and after the pandemic caused by COVID-19.

Now, in the newspaper “El Financiero” it mentions that on average a person now between 7 to 8 hrs. weekly to make payment of services and movements in banking institutions, being possible that in some applications where there is an error, tend to waste more time trying to solve it, and end up personally in the branch of the private or government company, however the majority of the applications have the modality to solve any doubt and clarification of a system error by means of a call or chat.

Likewise, the use of these applications tends to cause doubts as to whether or not it is profitable for businesses and companies, in such a way that in order to solve them, the MasterCard company carried out an investigation in businesses that do not use electronic payments due to the costs involved. they can generate “between 3% and 5% on the sale, however, it was realized that “businesses that use this means of payment, despite a commission payment, increase between 15 to 20% in their sales” (Kankanhalli & Luz, 2020, par. 5-7), and also understand that there are businesses where customers and suppliers do not use this type of payment, however, the use of service applications needs to be implemented more.

On another topic, electronic money in rural communities where there is no Wi-Fi signal for the use of applications within a mobile device, will favor the support of said communities, thanks to projects of

private companies and individuals such as HEINEKEN Mexico, Coca Cola FEMSA and the government of Querétaro “who come together in a Wi-Cold project, to bring internet to these areas, developing pilot tests in communities of 800,000 inhabitants, however there are communities that do not have this support, and in the future it is intended to be able to develop projects to bring the internet and promote new technologies” (Corona, 2021, para. 3),

Finally, in this process of using electronic money for cash, it has been created to stay and even more after the pandemic, since it caused the use of a mobile device to be a new way of being able to carry out any action such as a payment, transfer or movement in a banking institution, and raise awareness with the new use of a mobile device, since it is not only for calls, but now it is to be able to carry out any daily personal and work activity.

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