

User acceptance of cellphone banking

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DECLARATION

I hereby declare that this research report is true, correct and my own work, and that it has not been submitted before for any degree or examination in any other university.



YVONNE SCHRÖDER

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ABSTRACT

The development and growth of most economies are severely influenced by the health and ever-unfolding potential of its financial sector. For an economy to grow, people must become (increasingly) economically active.

The successful delivery of the Financial Services Charter (FSC), in providing greater accessibility to financial services, will have a positive influence in the economical development and upliftment of a substantial portion of the South African market, i.e. the un- and underbanked. Hence, it also has obvious benefits for the country as a whole.

The aim of the FSC is to greatly encourage the effective access available to LSM1-5. The yardstick is set at 80% for transaction accounts ("first order retail financial services products") by 2008 (Financial Services Charter, 2003). FinScope reports the actual usage as 32% in 2003.

Truly successful delivery of greater accessibility to financial services will require creative business thinking, ensuring that all role players, (i.e. the state; banks as well as individual clients), agree on the effectiveness of the provided delivery. This order of success is only possible through innovation.

Innovation – more specifically technology driven innovations – is a well-acknowledged catalyst in the cost reduction of services. In South Africa the telecommunication sector is a prime example of how innovation (presented in a manner that speaks directly to the target markets unmet needs) can disrupt an industry. There is also a strong market opinion that cellphones, together with the Dedicated Banks Bill (DBB), will play a fundamental role in providing access on the financial sector.

By applying relevant theories and models (obtained from literary reviews), this research aims to investigate Wizzit, a new market entrant to the financial sector, offering a mobile transaction channel bundled with a Maestro branded debit card.

The focus evaluated Wizzit's market offering (as a mobile transaction channel by means of a cellphone) compared to existing traditional offerings to the same target market.

The focus of this study is to investigate if the target market deems cellphone banking as an acceptable method of conducting personal banking. It is not the intention to compare various cellphone-based offerings with another. Rather, the emphasis is to undertake field research to determine the target's market perception of a mobile access channel per se. Wizzit Bank serves as the reference base – representative of the target market, from which the sample is taken.

Focus is given to understanding the subtle interplay between learning, marketing and developing an insight into structuring the appropriate value proposition, which incentivises the desired change in customer behaviour.

Thus, in closing, this explorative study is founded on qualitative field research, investigating the target market's perceptions on the appropriateness of the marketing and business approach of Wizzit (as a cellphone banking service provider), promoting an alternative approach of transaction banking to the poorer people in South Africa.

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CHAPTER ONE

1 ORIENTATION

1.1 THE SOUTH AFRICAN BANKING LANDSCAPE

The development and growth of most economies are severely influenced by the health and ever-unfolding potential of its financial sector. The South African situation sets out a peculiar dilemma. At one end of the scale, the financial sector is acclaimed as one of the most sophisticated financial industries in the world (measured in skilled labour, capital resources and technology infrastructure). At the same time, there is also an overwhelming portion of the population, which is not active within this industry. FinScope (2004) highlights that 54% of the population (sixteen years and older) are unbanked.

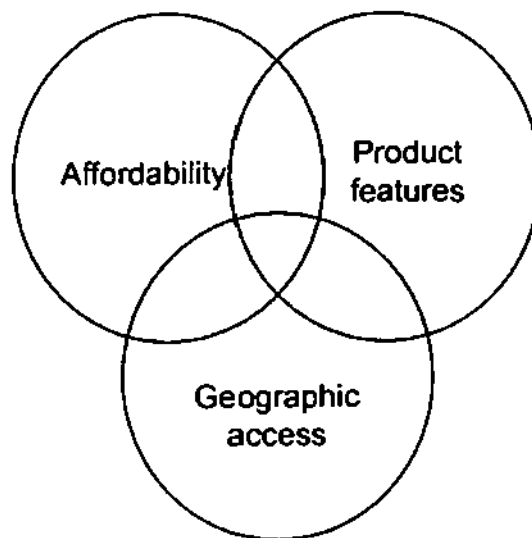
For an economy to grow, the populace must become (increasingly) economically active. Lopes da Costa (2004) frames it so aptly in stating that if an army marches on its stomach, the progress of a nation is built on its financial underbelly. The successful delivery of the FSC in providing greater accessibility to financial services will have a positive influence in the economical development and upliftment of a substantial portion of the South African unbanked. Hence, it also has obvious benefits for the country as a whole.

A key factor of the Financial Services Charter (FSC) is providing greater accessibility to financial services – more especially to the under- and unbanked market segments. To aid the achievement of this objective, two basic first order products have been introduced as a result of the FSC, i.e. National Bank Account, which is promoted under the national hero brand “Mzansi” and a National Money Transfer Service to be promoted under the same brand name, i.e. “Mzansi Money Transfer Service” (Financial Services Charter, 2003).

A key consideration in the development of these products has been to minimise the cost structures, effectively improving the affordability from the client perspective. (Financial Services Charter, 2003). But is this enough? Will these product offerings address the unmet needs of the target market?

Only providing access in itself is not sufficient – access also needs to be effective.

Figure 1-1: Three critical dimensions of effective access



Source: Adapted from Porteous & Hazelhurst, 2004

Effective access is founded in at least three dimensions, which are closely interlinked, as portrayed in Figure 1-1 above:

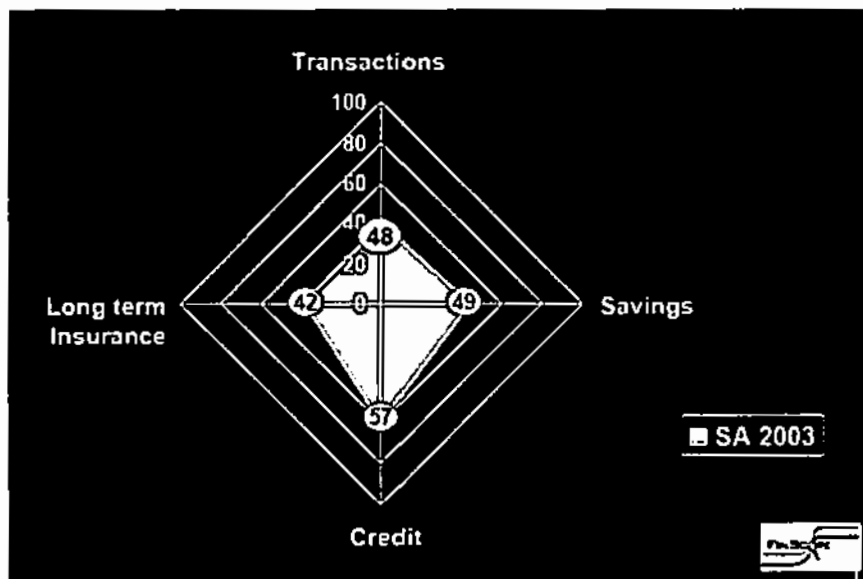
- **Product features** – Those product features, which by their inherent nature (e.g. Internet banking or cellphone banking) excludes or includes the target customer. A pivotal factor in establishing any technology-enabled service is the demand placed on the customer in terms of minimum infrastructure required (e.g. basic cellphone) as well as the needed technical know-how to partake in the proposed service (e.g. skill in SMS).
- **Affordability** – Here the consideration is simply if the target customer can afford the product / service based on cost as the decisive factor.
- **Geographical access (Time / Place convenience)** – What is of particular importance here is not only the distance to travel but also the time and cost associated with going to the point where the service is presented. This is of

great concern, especially within the rural communities (Porteous & Hazelhurst, 2004).

The FinMark Trust, established in March 2002 with funding from the United Kingdom's Department for International Development (DFID), is an independent trust, whose mission is 'Making financial markets work for the poor'. FinMark Trust has done tremendous contributions in understanding the issues involved in bringing financial services to the poor (FinMark Trust, 2004).

One of its key contributions have been to define what has appropriately been dubbed the "landscape of access" approach, presented in Figure 1-2 below.

Figure 1-2: The landscape of access



Source: Porteous & Hazelhurst, 2004

The landscape of access approach portrays retail financial services divided into four basic categories, i.e.:

- **Transaction banking**, which pertains to those services allowing day-to-day transactions. This includes electronic payment to and from accounts, of which the most well known are current accounts as well as most debit and credit card accounts.
- **Savings**, which pertains to those services where the main intention of the client is to provide for a future endeavour. The account is utilised as a 'store

of value'. Most well known are bank saving accounts, unit trusts, pension funds and also informal products like stokvels.

- **Credit**, which in essence deals with the provision of funding (in terms of money). Products included in this category range from micro loans to mortgages, covering a broad spectrum of consumer credit.
- **Insurance**, which pertains to those services where the main benefit sought is cover against a defined risk / event (Porteous & Hazelhurst, 2004).

For the purpose of this research study, focus will only be given to transaction banking. The motivation for this 'exclusive' focus is:

- Most retail savings and insurance products are reliant on the banking system to collect investments from the client in a user friendly and cost effective manner. The transaction account is most often used as the point of such collection.
- Although there is still a strong consumer preference for cash, crime is an increasing social phenomenon. A large portion of the population reported that they at times feel unsafe in their own homes because of crime (FinScope, 2003). Indirectly, this is enhancing the value of money stored in a basic bank account as an option for day-to-day transactions.
- The advent of democracy has raised lifestyle aspirations of a new group of consumers (e.g. the "emerging consumer", see section 1.2). Within this group, the basic debit card was for the first time widely deployed as the mechanism for salary payment. Although this deployment has been supply-driven, ownership of a debit card (coupled to a basic bank account) has become a means of enhancing the individual's status and image within his circle of influence (Melzer, 2003).

In short, Porteous and Hazelhurst (2004) define transaction banking as the backbone of the whole financial sector. Thus, it can be deemed as the 'front door key' to unlock a growth phase for the financial sector.

Yet, a primary concern remains the available service channels by which to effectively serve this specific target market. Physical outlets and ATM access channels share a common limitation. By their inherent nature, both need to be

'housed' in fixed allocations, necessitating transport and requiring time to queue, both restrictive factors.

Internet based services transcend this 'location' barrier as well as alleviate 'time to queue'. Internet enabled financial services are making great strides within the upper LSM groups (GhostDigest, 2005). This is due to the added value which Internet banking brings them, i.e. the convenience and freedom of using the service 'on your own terms' - after hours and in the comfort of your own home.

However, the lower LSM groups, which are the target population of the FSC, do not have easy access to the underlying infrastructure (individual Internet access). Much has been done to bring the "information age" - and with it access to its wonderful bounty - within the reach of the community at large. Initiatives like Multi Purpose Community Centre (MPCC), Public Internet Terminals (PiT), Citizen's Post Office (CPO) and others share the fundamental drive to make Internet available to the broader population by making their service offerings available at critical access points within local communities (SA Post Office, 2005).

However, considering the magnitude of the need, this challenge will still remain for some time. Hence, alternative solutions to draw the lower and middle income groups into the e-financial services arena must be considered.

Considering the tremendous uptake of cellphones across all market segments, this medium (cellphone) offers much promise as an effective service channel.

At the centre of the effective deployment of any new service channel lies an appropriate value proposition, which speaks clearly and decisively to the heart of the chosen target market's real and felt needs (MircoSave, 2004).

This begs a concerted effort to uncover and fully understand what those unmet needs are and how they can best be served. In turn, it may also necessitate consumer education. Together with the critical issue of stimulating effective market uptake, there is the objective of minimising cost, thus impacting the

affordability frontier. When this delicate balance is struck, achieving critical mass (market penetration) will follow (MircoSave, 2004).

1.2 THE EMERGING CONSUMER

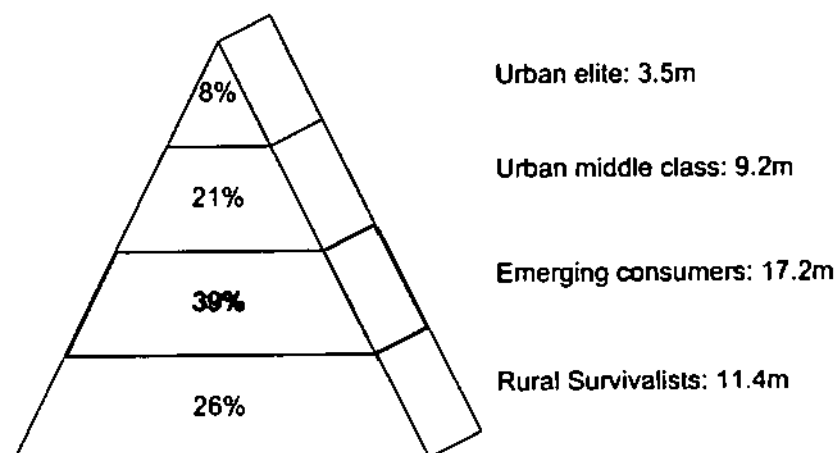
Since the advent of democracy in 1994, South Africa's consumer market has evolved considerably. This resulted in a substantial gap in understanding the true identity of the South African consumer as an individual entity (Burgess, 2002).

The SA Tribes (Burgess, 2002) programme was initially undertaken to help commercial companies acquire a better grasp how South Africans were changing. More importantly, it sought to uncover just what were the commercial implications of these changes.

The SA Tribes programme grew to become one of the most comprehensive research studies ever to be conducted in South Africa, with almost 15 000 participants interviewed during the period 1997 to 2001 (Burgess, 2002).

In essence, Burgess (2002) divided the entire South African population into four broad strata as depicted in Figure 1-3 below:

Figure 1-3: The new SA tribes pyramid



Source: Burgess, 2002

Fundamentally the “emerging consumer” group:

- Is mainly black (82%) but also includes many people who refer to themselves as coloured (16%)
- Although poor, almost all have electricity, running water and a flush toilet
- Is characterised by a life often entailing financial challenges, requiring careful budget planning for luxury items as well as freedom from worry about unexpected and dramatic hardships (Burgess, 2002).

For the purpose of this research, focus will primarily be given to the “emerging consumer” as the target market as this stratum most aptly represents the under- and unbanked.

An exciting new bank, Wizzit Bank, has recognised the potential of harnessing the cellphone as a payment instrument, as its primary business focus in servicing this emerging consumer market. After a soft launch in December 2004, this new market entrant is in the early stages of rolling out its banking services.

What is remarkable and unique of this new division of the SA Bank of Athens is how Wizzit Bank introduced a new form of banking to the South African market using mobile banking technology as the main form of delivery, supported by a Maestro debit card. Taking cognisance that Wizzit was only launched at the end of 2004, its growth to date has been noteworthy. At the time of writing, Wizzit has approximately 3500 clients and has already handled approximately 30,000 transactions (Richardson, 2005).

At the time of writing, Wizzit has about 400 staff members, of which the majority are Wizzkids. These members (Wizzkids) are fundamental to Wizzit's success. Wizzkids serve as agents and field workers going into the marketplace to introduce and promote the Wizzit banking offering to the target market. These interactions with the target market are personal and usually relationship based (Richardson, 2005).

Wizzit focuses primarily on the un- and underbanked segments of the market. While the majority of clients are in Gauteng, they also have clients in various other provinces (Richardson, 2005).

Cash can be deposited through ABSA and SA Post Office, as Wizzit has a deposit-taking agreement with the two said institutions. The supporting Maestro debit card can be used to make in store purchases.

In line with Wizzit's commitment to the community development, they only employ previously unemployed people. This choice has served Wizzit well – as staff, who themselves come from this market, have an intimate understanding of the needs and desires of this target market – knowledge which Wizzit is harnessing to its advantage (Richardson, 2005).

1.3 RESEARCH AIM

The research aim of this study is to investigate the viability of providing a mobile access channel (via cellphone) for the purpose of extending access to financial services.

1.4 RESEARCH OBJECTIVES

This channel will specifically target the lower LSM groups as stipulated in the FSC, i.e. South Africa's under- and unbanked market. The objectives of this study are:

- To investigate the target market's perception regarding the potential of using a cellphone, supported by a Maestro branded debit card, as a payment instrument.
- To identify customer readiness and receptiveness. Both these elements are crucial to the successful introduction of a cellphone access channel. It is essential that new ways of transacting, and more specifically those brought on by the application of technology, must pass the acid test of customer acceptance, leading to active usage thereof. (MircoSave, 2004)
- To identify which marketing and communication approach delivers the desired trust to use the offering. This would allude to an approach of how

consumer proficiency can best be enhanced in the shortest space of time. Thus, understanding the importance of trust and how best to leverage it.

- To consider the disruptive potential of a mobile access channel (i.e. cellphone banking) in terms of the South African banking industry.

1.5 RESEARCH PROPOSITION

The customer's willingness to embrace the offering will be a reflection of his / her perception that the value proposition is worth the 'cost' to 'own' it. Using Wizzit clientele as a reference base, the target markets' perception to the appropriateness of cellphone banking is reviewed.

The dimensions of the Compass Acceptance Model (CAM - to be discussed in section 3.3.1) is employed as the guiding framework to classify those factors deemed relevant to the individual in making his / her decision whether (or not) to engage in cellphone banking as a transaction approach, i.e.:

Table 1-1: Applying CAM to understand user perceptions

		BENEFITS		EFFORT	
Product / Service Features		PERCEIVED USEFULNESS		PERCEIVED EASE OF USE	
	✓	Value attained in affecting transactions via cellphone		✓ Effort exerted / discomfort experienced in affecting transactions via cellphone	
General Conditions of Service		PERCEIVED MOBILITY		PERCEIVED COSTS	
	✓	Proximity to the point of service		✓ Fixed fees ✓ Per use fee for actual transaction effected ✓ Other cost out-of-pocket expenses (e.g. travel cost)	

Source: Adapted from Amberg, Hirschmeier & Wehrmann, 2004

A general 'openness and positive attitude' exuded toward the Wizzit offering will be indicative, that was there a 'buy-in' to the cell phone banking value proposition.

In addition, this research study considers whether Wizzit's offerings can be classified as a disruptive innovation relative to the context in which it competes. This implies that it must be measured in terms of its impact on the respective business model dominant in the chosen target market. Does it sustain the current business objectives and how the current market leaders are working towards achieving it, or, is it disruptive, i.e. a total different approach?

1.6 IMPORTANCE OF THE PROBLEM

FinScope (2004) reports that 54% of the adult population is still unbanked and 42% have never had a bank account. It is therefore, clear that South Africa's financial market is still vastly untapped and much must still be done to extend accessibility. However, accessibility in itself is only the start of the journey (Lopes da Costa, 2004).

A further challenge awaits the banking industry in stimulating active use and thereby 'growing these customers into the next maturity level'. A critical key in unlocking this potential is identifying the most appropriate interface to relate and interact with the chosen customer (MicroSave, 2004).

Customers should be granted the maximum range of alternatives in accessing the existing infrastructure. Building a fundamentally sound infrastructure is costly, hence the process of strengthening it must be purposeful in guarding against ill conceived duplication of infrastructure (Bester, De Koker & Hawthorne, 2003).

Cellular Online (2004) indicates:

- Current market size 18.7 million users (80% of these are active users),
- Potential market by 2006 is estimated at 19 million users,

- More than 90% of all new connections are pre-paid, with over 9 000 users signing up each day,
- Together the three GSM networks (Vodacom, MTN and Cell C) cover more than 71% of the population.

Furthermore due to the nature of initiatives such as Public Internet Terminals (PiT), which provide Internet accessibility in a kiosk format, the target population only has 'shared access' when using these terminals. In contrast, the majority of people view the cellphone as a personal device for their exclusive use. The cellphone is ubiquitous, accessible, convenient, mobile and has already penetrated our communities – including rural areas – increasing communication opportunities. There is little doubt that the cellphone has been one of the success stories of the last decade (Cellular Online, 2004).

In general people perceive they have full control over its use. Consequently, it lends itself very well for individual and confidential matters such as financial services. It is therefore reasonable to posit that the cellphone may become a standard channel in payments as it is an ideal tool already in the hands of the un- and underbanked segment.

Today all major South African banks have a cellphone banking offering, however, to date effective market uptake has been disappointing (World Wide Worx, 2005).

This study use Wizzit as its reference group. In the context and nature of the study, the sample - current Wizzit clientele - can be deemed representative of the un- and underbanked population.

Although the scope of this study is Wizzit account holders, insight gained will be equally applicable to the broader cellphone user population, and more so to the Mzansi initiative, as both have the under- and unbanked as their primary target market.

This research is motivated by the belief that harnessing a standard cellphone as a payment instrument will result in a win-win situation for both the banking

industry and its customers, once mass acceptance is achieved. It is the aspiration of this research to arouse appreciation for the fact that the Mzansi programme will gain much benefit by considering the demonstration effect served by Wizzit and in response, incorporate a mobile channel as an additional service option available to its target market.

1.7 LIMITATIONS OF THE STUDY

Much work has already been done on the technology feasibility of mobile commerce over a GSM network (Van der Merwe, 2003), therefore this study will not have its primary focus on the feasibility of the technologies itself.

The ability to extend financial services to the poor is determined by a number of factors. One of these is the regulatory framework for the rendering of banking services as this industry is highly regulated (Banks Act, 1990). Regulation defines the market space, shapes its development and seeks to control the behaviour of the market players.

By definition the nature and content of regulation can also impact the ability of the banking sector to serve the needs of the low-income customers. Other than the proposed Dedicated Banks Bill, this study does not primarily focus on this said regulatory framework.

The impact cellular technology on the environment as well as the potential impact on health, are both factors outside the scope of the study.

All participants were from Gauteng. Although Wizzit does have clientele in other regions, the cost to include other regions outweighed the anticipated benefits of such a decision.

1.8 GLOSSARY OF TERMS AND DEFINITIONS

Affordability frontier refers to the trade-off between having access to a service versus the cost associated to the specified service (FinMark Trust, 2003).

All Media & Products Survey (AMPS) is a bi-annual large scale survey managed by the South African Advertising Research Foundation but undertaken, on contract by private market research agencies, that use LSM categories to survey the population (Porteous & Hazelhurst, 2004).

Cash back, as defined by Ketly and Lipsihitz (2003), refers to cash from a merchant deducted via a debit card.

Citizen's Post Office (CPO) is a joint initiative of the Department of Communications and SA Post Office focusing on providing electronic-based services to small, medium and micro-enterprises (SMMEs) as a one stop shop, in the format of an Internet café (S A Post Office, 2005).

Demonstration effect, as defined by Porteous (2004), is served when one player demonstrated a viable model that others follow.

Effective access is defined by the Financial Services Charter (2003) as:

- a) being within a distance of 20 kms to the nearest service point at which the first order retail financial services can be undertaken, and includes ATM and other origination points,
- b) being within a distance of 20 kms to the nearest accessible device at which an electronic (other than a ATM) service can be undertaken,
- c) a sufficiently wide range of first order retail financial products and services to meet the needs and which are aimed at and are appropriate for individuals who fall into the All Media Product Survey (AMPS) categories of LSM 1-5,
- d) non-discriminatory practices,
- e) appropriate and affordably priced products and services for effective take up by LSM 1-5,

- f) structuring and describing financial products and services in a simple and easy to understand manner.

Effective consumer education refers to basic marketing specifically focused to enhance financial literacy among members of the target market. Financial education is teaching the knowledge, skills and attitudes required to adapt good money management practices for earning, spending, saving, borrowing and investing (Cohen, Stack & McGuinness, 2004).

First order retail financial services as defined by the Financial Services Charter (2003) includes financial products offering basic functionality identical across the banking industry and for which pricing has been standardised and minimised as well. Transactions are to be accessible in the same way irrespective of the institution as interoperability across all distribution channels is a critical feature. Such products are:

- a) **National Bank Account (NBA)** – an account based first order product with restricted basic services i.e. deposits, withdrawals and enquiries. The first phase of this product was launched nationally in October 2004, under the hero brand of “Mzansi”.
- b) **National Money Transfer Product (NMTP)** – a non-account based first order product aimed at meeting the most basic transfer of value needs. The NMTP will facilitate the transfer of funds between unbanked and unbanked as well as banked and unbanked individuals. It is intended that transactions be initiated from any bank or SA Post Office branch nationally and that proceeds be received almost immediately from any bank or SA Post Office branch nationally without the need to hold a bank account.

Living Standard Measure (LMS) is a basic market segmentation algorithm, which categorises a respondent into one of ten groups, according to observable characteristics, largely to do with durable-goods ownership (Porteous & Hazelhurst, 2004).

Public Internet Terminals (PiT), is a joint initiative of the Department of Communications and SA Post Office focusing on bringing the benefits of the

Internet within everyone's reach. At present, 600 terminals have been deployed nationwide. This initiative, first launched in 1998, is in essence a multi media kiosk-style terminal from which clients can access any of the five basic service categories, which are:

- a) Internet browsing, allowing users to get information on any topic,
- b) E-mail service, which gives users access to create their own e-mail account for their personal use,
- c) A business section, which lists contact details of enterprises in the local area,
- d) Educational services, which give users access to information on various courses from different institutions and even the opportunity of applying online,
- e) Government services, which provide users access to the government information such as current government news and event, details on government jobs available. Certain government forms are also available online (S A Post Office, 2005).

Point of sales (PoS) device, as defined by Ketly and Lipsihitz (2003), refers to an electronic device for recording sales information at the time and place a card transaction occurs.

Transaction banking, as defined by Porteous (2004), refers to the service offered by banks, which allows day-to-day transactions, in particular electronic payments to and from accounts, this category includes current accounts and most debit and ATM – card accounts.

1.9 OUTLINE OF THE RESEARCH REPORT

This section outlines what can be expected in each of the following chapters:

First, Chapter 2 sets out the broader theories that are applicable and then highlights specific topics that are relevant to the research question to be discussed.

Once the foundation has been laid, the focus in Chapter 3 turns to current literature on this topic and other relevant topics that must be considered for this report to be considered comprehensive and contributing value.

Mobile banking is still a very new phenomenon. Along with this, most research performed is of a commercial nature, rendering the pertaining findings sensitive and proprietary and therefore not easily available in the public domain. Mostly, the available academic literature and research relating to this topic has been conducted in the international arena. One previous exploratory South African study, done in 2003, which also investigated mobile banking, was found and has been detailed in this report.

Chapter 4 discusses the research methodology, which was followed for this research study.

Chapter 5 highlights the nature of the results based on the empirical data gathered during the field work.

Chapter 6 is informed by the actual research conducted and contains relevant findings as well as the conclusions drawn based on the outcome of the research process.

Chapter 7, the article for publication is provided as a separate document, as per instructions.

CHAPTER TWO

2 FOUNDATION OF THE STUDY

2.1 INTRODUCTION

The South African banking sector is well established. However, in recent years banks have experienced a significant decrease in income due to dropping interest rates, resulting in pressure on profit margins (Lopes da Costa, 2004).

This phenomenon is not unique to the South African environment. Other international banks (e.g. Japanese, American and several European) have faced this same dilemma. Taking cognisance of their experience, it is clear that the banks can deal with this challenge in one of two ways, i.e.:

- Increase the service fees attainable from the current client base, which represents the already captured market. Such a strategy can be deemed as a short term approach as there are limits on how big a cost burden can be absorbed within a captured client base.
- Expand the banks' current client base, which implies finding new clients. Such a strategy can be deemed as a long term approach as serving new clients through an existing infrastructure improves contribution margin and creates opportunities for future growth (Lopes da Costa, 2004).

Statistics indicate that growth in the overall customer base of high-end retail products (e.g. credit card and current accounts) has been stagnant over the past decade. Together with this, intermediation margins likewise have come under pressure (FinMark Trust, 2003).

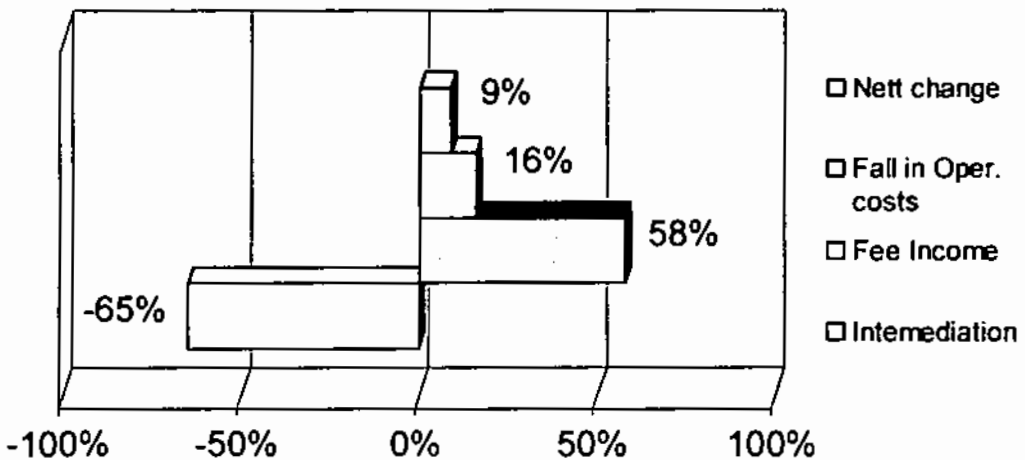
Calculations by Genesis Analytics highlight that, when comparing the current situation of the banking industry with that of 1993, it is evident that increased

services fees have been the retail banking sector's 'saving grace' (FinMark Trust, 2003).

From Figure 2-1 below it is clear that, despite a severe negative drop in intermediation of 65%, there is still a slight nett positive change of 9%. This is primarily attributable to:

- A cost improvement of 16% attained by more astute management.
- Higher service charges of 58%, mainly related to the introduction of new services. The most notable of such a new introduction is Internet banking (FinMark Trust, 2003).

Figure 2-1: Decomposition of the change in the banking industry's ROE



Source: FinMark Trust, 2003

Within the South African context, banks have historically reverted to leveraging higher fees on their captured market. This action to leverage higher service fees, afford banks severe critique as well as negative public sentiments. Such behaviour not only antagonises the current client base but also destroys the likelihood of attracting new clients.

Lopes da Costa (2004) suggests that high service fees are a result of a traditional banking sector's predicament of serving a saturated market. It is here where the South African scenario is different. In contrast to other mature international markets (e.g. Japan, America, and Europe), where the greater majority of the population is already banked, the South African scenario is one

where more than half the population (54%) is underbanked / unbanked (FinScope, 2004). For this reason, there is great promise for growth in transaction volumes.

But what is the best approach to bring new clients into the South African banking arena? Lower income customers, especially, have higher preference for access via a physical branch network, which in turn places more cost pressure on banks, as service providers.

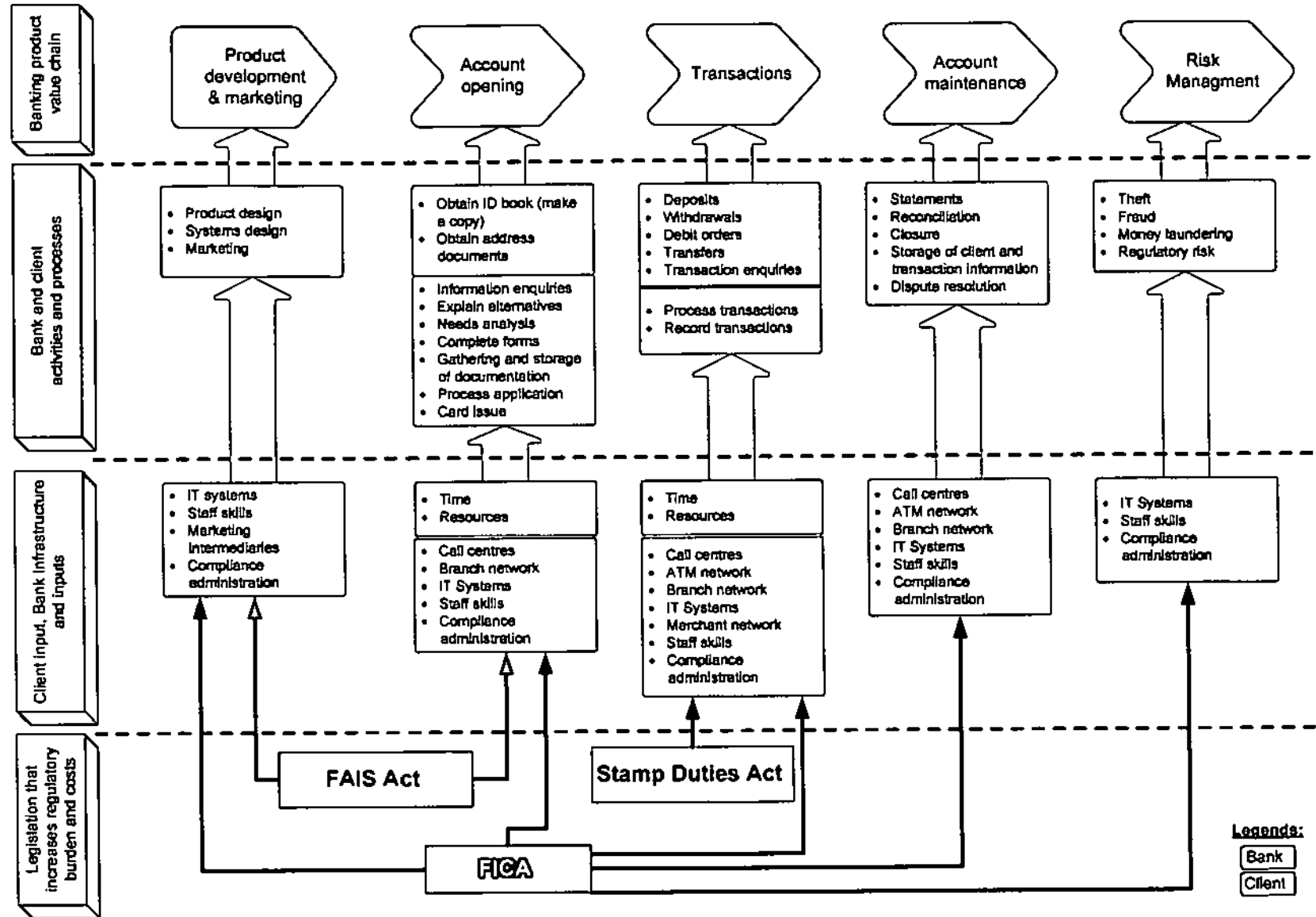
A first step is to identify the elements in the value chain of a basic banking product. See Figure 2-2 for such an illustration, which depicts all primary functions needed to provide a basic bank service, i.e.:

- Product development and marketing
- Account opening
- Transaction (As discussed in section 1.1, transaction banking is deemed the primary focus of this study)
- Account maintenance
- Risk management (Bester et al, 2003).

Next, consider that the transaction function, in particular, is both capital and labour intensive. This statement is substantiated by the need to facilitate activities such as debit orders, transfers and transaction enquiries, i.e. process and record transactions. These place high demands on supporting infrastructure, such as call centre, ATM and branch networks, staff skill and IT systems.

Electronic delivery is considerably cheaper than paper format and place based transactions (Fannie Mae Foundation, 2002). The popular acceptance of cellphone banking will alleviate some of these cost pressures considerably. It is therefore reasonable to suggest that the popular acceptance of cellphone banking will ultimately lead to more affordable service charges.

Figure 2-2: Value-chain analysis of a basic banking product



Source: Bester et al, 2003: 12

The popular acceptance of cellphone banking will create a double positive impact addressing the urgent call for transformation as suggested by Lopes da Costas (2004). This is implied by:

- from the bank's perspective, it offers cheaper and more pervasive delivery channel, resulting in a greater contribution margin within the bank's operations.
- from a customer perspective, because of lower cost, it will spiral greater market acceptance.

The key to unlock this (seemingly illusive goal) of market acceptance, is structuring the appropriate value proposition, which will trigger and encourage the desired long-term change in customer behaviour (MircoSave, 2004). But just how can this new innovation be incorporated into everyday life?

Although cellphone banking is a relatively new phenomenon and research within this specific area is limited, it is also a technology-enabled innovation. Much work has been done to understand the process of how humans adopt new technology to their benefit. The remainder of this chapter focuses on this crucial facet.

The adoption use of technology is generally discussed in three broad schools of thought, i.e.:

- The Diffusion school of thought
- The Adoption school of thought
- The Domestication school of thought (Pedersen & Ling, 2002).

The different schools of thought review the process of how humans adopt new behaviour. Each school of thought does so from a slightly different perspective. Thus, the next section will briefly elaborate on each of these schools of thought to provide a fuller understanding of the various elements and influences throughout the adoption process.

2.2 THE DIFFUSION SCHOOL OF THOUGHT

In essence, researchers applying the Diffusion school of thought describe the adoption process as an S-shaped function of time. This is reviewed in hindsight as a posterior aggregation, which serves as the baseline to categorise adopters. This study has particular interest in early adopter as shown in Figure 2-3. It also serves to highlight that the unit of analysis is aggregate groups, thus on a macro level (Pedersen & Ling, 2002).

The most well known model is that of Rogers (1995), who uses characteristics of the technology being introduced to explain the observed behaviour. Subsequently, he describes the diffusion trend to be the pattern of four contextual elements, i.e.:

- The technology itself as the new innovation
- The social system
- The communications effective within the social system
- The passage of time.

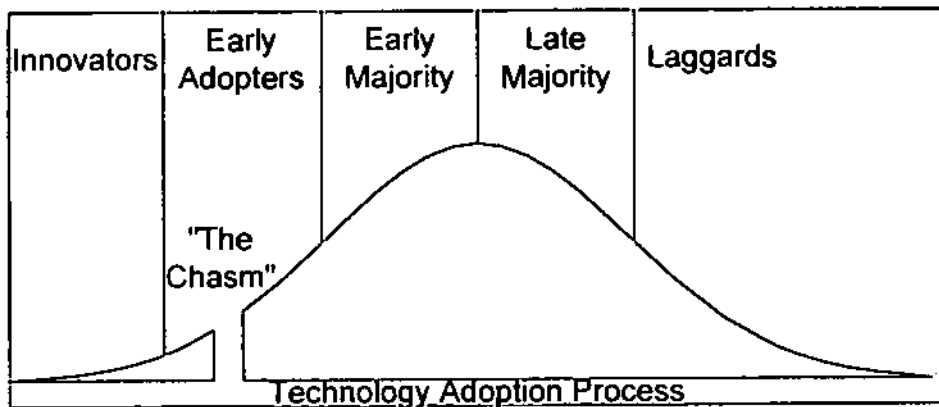
Another well-known model, based heavily on the work done by Rogers (1995), is the Technology Adoption Life Cycle model popularised by Geoffrey Moore (2002). See Figure 2-3. This model was born out of the need to understand why certain new market introductions refuted the (then) accepted norms of adoption.

It was learnt that some new technology wrapped market introductions mandated customer behaviour changes interlinked with the adoption process itself. These change-sensitive offerings are commonly referred to as discontinuous innovations (Moore, 2002).

The Technology Adoption Life Cycle model focuses on the way a disruptive (i.e. discontinuous) innovation, wrapped as a new market introduction, is progressively adopted within the target market (Moore, 2002).

The model proposes the process of adoption as a continuum with five definable stages, each associated with a definable group, in that members are classified based on their psychological and social profiles. From Figure 2-3, it can be seen that the distribution is in the form of a bell curve, with each group making up a predictable portion of the whole (Moore, 2002).

Figure 2-3: Technology Adoption Process Model



Source: Moore, 2002

Herewith a brief discussion on each stage:

- **Innovators:** These individuals are **technology enthusiasts**, they enjoy technology and are intrigued by any fundamental advancement of it. They are rare and winning them over will the service (product) provider well as their endorsement reassures other players.
- **Early adopters:** Although not technologists themselves, these individuals are **visionaries**, who can appreciate the benefits of a technology in relation to how it addresses a real business need and gives them the opportunity to be one step ahead of their competitors. This is where the importance of this research lies¹. Early adopters are the gatekeepers to the early majority, the late majority and laggards. If they close the gap (cross the chasm) in adopting cellphone banking, these members (early adopters) propel the widespread acceptance for all those following their lead. Conversely, if early adopters fall down into the chasm, there are no positive role models who, based on their own success, can encourage and urge others to follow their lead.

¹ It is believed that target users with Gauteng region will act as early adopters.

- **Early majority:** These individuals are **pragmatists**, who need to see practical evidence of the technology's ability to bring real benefits in addressing their pressing needs. The pragmatists are very reliant on group reference, before they take decisive action.
- **Late majority:** These individuals are very similar to early adopters with one very significant distinction – they are very **conservative** and not overly fond of technology. Thus they postpone adoption until a clear market standard is set. This brings them assurance of guaranteed support and other related benefits, such as the knock-on effect of networking within the broader market.
- **Laggards:** These individuals are very **sceptic**. Although sceptics are not regarded worth pursuing, it may benefit the service (product) provider to consider their critique. Carefully evaluate feedback received for broader relevance and use it to minimise those elements, which may be equally applicable to members of any of the groups. Thus, use the critique positively to improve offering, but be cautious to weight its relevance (Moore, 2002).

As is clear from Figure 2-3, there is a clear gap between the early adopters and the early majority. This is referred to as 'the chasm'. Its existence is best understood in reviewing the diverse views these two groups hold when considering a (yet) unproven market product. The early adopter views such a take-on as a means to get ahead of the rest of the market, breaking away from the rest of the market and winning an advantage. In contrast, the early majority wants to move in unison with the market, taking comfort that his choice is on par with what the rest of the market is opting for (Moore, 2002).

Thus the Technology Adoption Life Cycle model's underlying principle is to understand each group's inherent nature in dealing with change. It differentiates each progressive stage in terms of that stage's particular primary customer. The characterisation of this primary customer plays a fundamental role in supplying data and understanding on how to best communicate to and engage with this primary customer, with the ultimate aim of forming a mutually beneficial relationship (Moore, 2002).

According to the Technology Adoption Life Cycle model, the pivotal point for success is crossing the chasm successfully. Within the chasm the greatest enemy is time. This model further postulates that the most optimistic point of entry is right after the crossing of the chasm, thus in the bowling alley. In this stage the primary objective is securing early adopters, who will lead the herd into the tornado stage, where the mass market is. To achieve this, the service (product) providers must demonstrate the ability to offer a 'whole product'. The whole product constitutes a comprehensive product, supported by an appropriate value chain, which addresses the need of the client. Elements like after sales service and support as well as training are typical extensions needed to deliver this said whole product (Moore, 2002).

2.3 THE ADOPTION SCHOOL OF THOUGHT

The Adoption school of thought focuses on the adoption decision of individual end users. Therefore, the unit of analysis is on a micro level (Pedersen & Ling, 2002).

The prevalent models most widely applied are:

- The Theory of Reasoned Action model (TRA) by Fishbein and Ajzen (1975)
- The Theory of Planned Behaviour model (TPB) by Ajzen (1991)
- The Technology Adoption model (TAM) by Davis (1989)
- The Decomposed Theory of Planned Behaviour model (DTPB) by Taylor and Todd (1995)

Each of these above mentioned models will now be discussed, in brief, with the explicit purpose to gain an understanding of the process and criteria by which users decide to use a new technology or not.

2.3.1 The Theory of Reasoned Action model

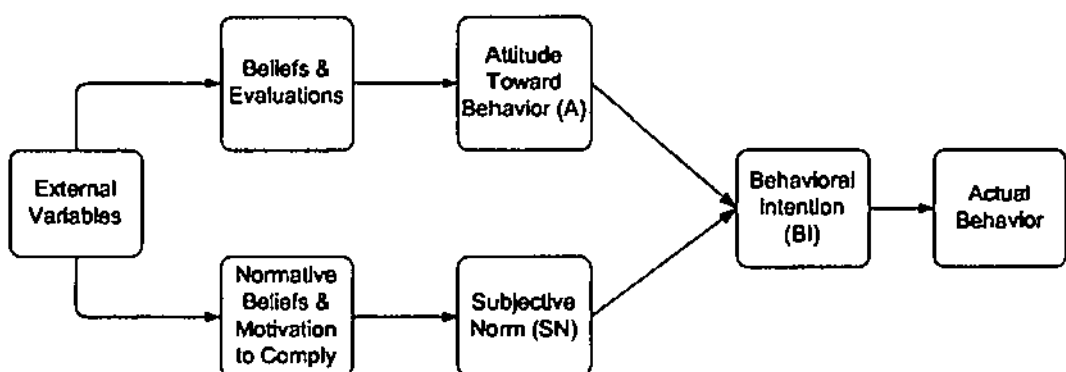
The Theory of Reasoned Action (TRA) model is grounded in social psychology and is a widely used general theory on the determinants of consciously intended behaviour, as referenced by Taylor & Todd (1995).

Research in social psychology shows that behaviour is best predicted by an individual's attitude towards the behaviour itself – thus the actual use of the relevant technology – rather than the technology itself. Therefore, a positive evaluation of a technology may be necessary to bring about actual use. However, such a positive attitude by itself alone, may not always be sufficient condition to bring about actual use (Mathieson, 1991).

As highlighted in Figure 2-4 below, this model posits that behavioural intention is a strong predictor of actual usage and is supported by two factors. In turn, beliefs are antecedent to both these factors respectively, i.e.:

- Attitude, influenced by personal beliefs and evaluation
- Subjective norms, influenced by normative beliefs and a motivation to comply (Fishbein & Ajzen, 1985).

Figure 2-4: Theory of Reasoned Action



Source: Fishbein & Ajzen (1975)

This early model is noteworthy in its aim to provide a rationale for the flow of causality from external stimuli (such as system design features) through user perceptions to attitudes about the new service (product) and finally to actual

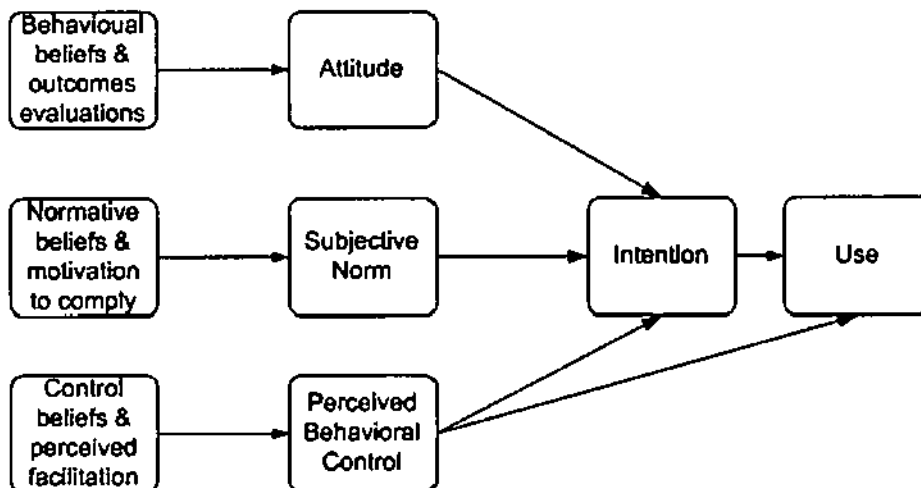
usage behaviour. It serves to highlight that TRA is a general theory of human behaviour, it is not specific to a technology enabled service (product).

2.3.2 The Theory of Planned Behaviour model

The Theory for Planned Behaviour (TPB) takes TRA as its foundation with one extension. A new factor, perceived behavioural control, is added, making the model very valuable in gaining a better understanding of user acceptance. Perceived behavioural control represents the individual's perception of the control over the actual performance of the behaviour. It can be situational, such as access to the technological device (e.g. a cellphone) as well as personal, such as having the basic ability to use the system, for example being able to send a SMS (Ajzen, 1991).

From Figure 2-5, a visual illustration of the various factors and their underlying relationships leading up to intention and actual behaviour, is shown.

Figure 2-5: Theory of Planned Behaviour



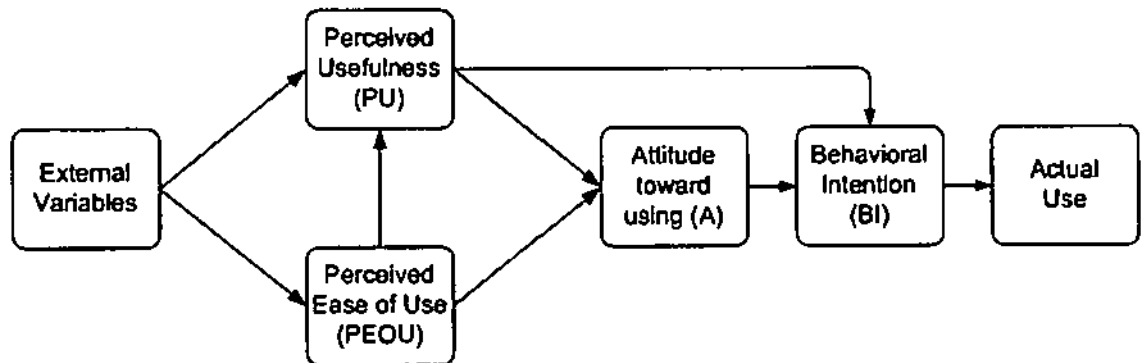
Source: Ajzen, 1991

2.3.3 The Technology Adoption model

Using TRA as its foundation, the Technology Acceptance Model (TAM) proposes that attitude plays a very fundamental role (Davis, 1989).

The contribution of TAM lies in how the model focuses on gaining a better understanding of user acceptance by reviewing attitude in more detail. As reflected in Figure 2-6, TAM postulates that user perceptions of usefulness as well as ease of use determine attitude toward the intention to use. It proposes direct relationships between perceived usefulness and perceived ease of use as well as between perceived usefulness and intention to use (Davis, 1989).

Figure 2-6: Technology Acceptance Model (TAM)



Source: Davis, 1989

Perceived usefulness is an indication of the individual's subjective assessment of the utility offered by the new technology in a very specific task related context. It is pertinent to note that the task can be any generic task, also in a non-organisational setting as well (Davis, 1989).

Perceived ease of use is an indication of the cognitive effort needed to learn and to effectively use the new technology (Davis, 1989). It corresponds to the internal factor of skill (Mathieson, 1991).

Davis (1989) suggest that the goal of TAM is to provide an explanation of the determinants of computer usage that is general and capable of explaining user behaviour across a broad range of end user computing technologies as well as across a broad range of user populations. However, in contrast with TBP, TAM does not explicitly provide for any social variables (Mathieson, 1991; Taylor & Todd, 1995b).

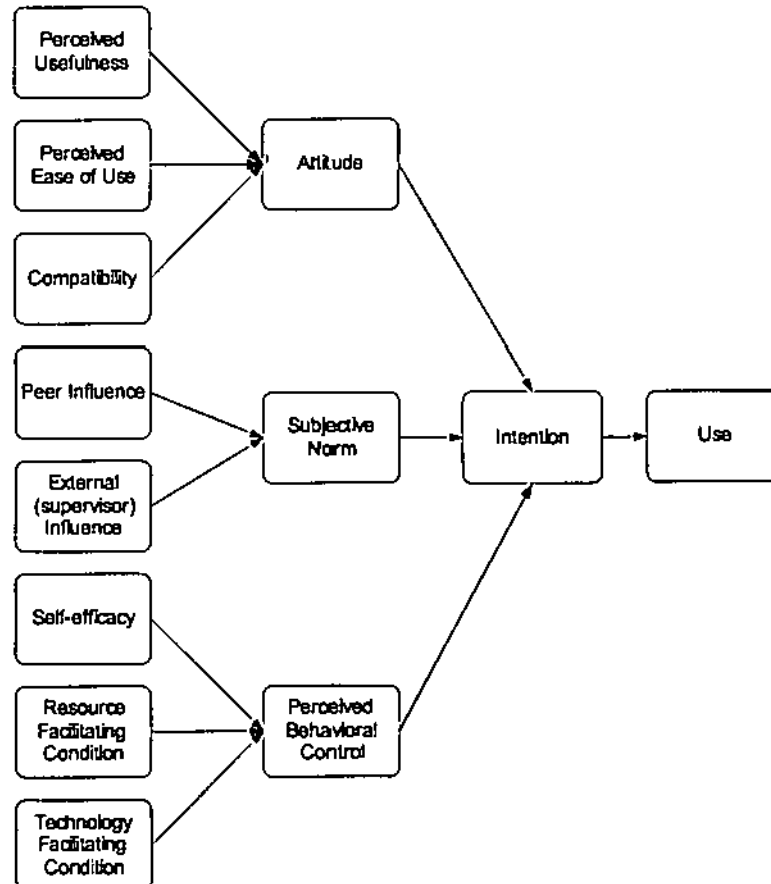
TAM has been found to be extremely robust. The theory is firmly grounded in social psychology, however, at the same time it is easily understood and relatively cost effective to apply (Mathieson, 1991; Taylor & Todd, 1995b).

The practical utility of this model stems from the fact that perceived ease of use and perceived usefulness are factors over which a systems designer has some degree of control and as key determinants they provide directions to systems designers as to where the efforts should be best focused (Davis, 1989; Taylor & Todd, 1995a).

2.3.4 The Decomposed Theory of Planned Behaviour model

In their study Taylor and Todd (1995b) compared TPB and TAM not only with one another but also to a revised version of TPB, which they referred to as the Decomposed Theory of Planned Behaviour model (DTPB).

Figure 2-7: Decomposed Theory of Planned Behaviour model



Source: Taylor & Todd, 1995b

The aim of the Taylor and Todd study (1995b) was to provide a more complete understanding of the determinants of intention. To accomplish this, detailed attitudinal, social and control influences were included.

From Figure 2-7, a better overall explanation of technology usage behaviour can be achieved by tracing the influences of the original three key factors, i.e.:

- Attitude is reflective of the user's beliefs regarding perceived usefulness, perceived ease of use - both familiar concepts. However, a new element is also introduced, i.e. compatibility, which refers to how readily the user can assimilate the new technological product into his unique situation
- Subjective norm is influenced by social context as presented by peer influence as well as external influence, which usually is in the form of supervisor influence within the organisational context
- Perceived behavioural controls, which related to resource facilitation conditions as well as technology facilitation conditions (also both familiar concepts), with the new introduction of self-efficacy (Taylor & Todd, 1995b).

Self-efficacy is an important factor. It places focus on training and education as an important element to influence behaviour (Taylor & Todd, 1995b).

Compatibility is understood as the degree to which the new product (service) is perceived as being consistent with the target customer's need, existing values as well as past experience (Taylor & Todd, 1995b).

2.4 THE DOMESTICATION SCHOOL OF THOUGHT

The Domestication school of thought focuses on studying the adoption and use of technology in everyday life. The primary emphasis of the Domestication school of thought is on societal consequences and the process in which technology becomes an integral part of our societies and everyday life, both at the individual and aggregate level.

This school of thought employs demographical variables (such as gender, age, race) and investigates how these relate back to the societal consequences. Sociologists using descriptive studies to characterise the use and adoption of technologies therefore dominate this school of thought and in general these studies are long-term by nature (Pedersen & Ling, 2002).

2.5 CONCLUSION

In overview, from the above discussions it is clear that people are usually rational and they use information, which is available, systematically in making their decisions to use a new technological service or not.

Intention is considered to be the immediate antecedent of behaviour. It is the cognitive representation of the user's readiness to perform given behaviour, and is based on attitude towards behaviour, subjective norms and perceived behavioural control.

Attitude has been highlighted as a crucial element towards influencing intent to use the proposed new service (e.g. cellphone banking). It can be understood as the degree to which performance of the proposed behaviour is positively (or negatively) valued, and is determined by the total of set of beliefs.

Perceived usefulness is an indication of the individual's subjective assessment of the utility offered by the new technology, e.g. cellphone banking (Davis, 1989).

Perceived ease of use is an indication of the cognitive effort needed to learn of and to effectively use the new technology (Davis, 1989). It corresponds to the internal factor of skill (Mathieson, 1991). It is also closely related to the user's self-efficacy.

Of all the models reviewed in this chapter, TAM is the most widely used in modern day studies. This is due to its parsimonious yet powerful ability to explain technology adoption and usage per se.

In closing, it is clear that to truly have the best understanding into the potential adoption of cellphone banking by the proposed target market, begs field research employing theoretical frameworks from all three schools of thoughts. This would be the most idealistic as this approach will cover all essential perspectives. However, this is not practical for the purposes of this study purely based on the lack of both time and resources available to do so.

Based on the fact that the individual client is regarded as the unit of analysis, this research study looks at the Adoption school of thought for its foundation.

Cognisant of the infancy of cellphone banking as a social phenomenon, it was very important to allow for qualitative research to delve deeper by means of an exploratory approach. The aim is to gain understanding into the perceptions of the target customer as an individual.

Within in recent years models, which make allowance for such circumstances, have been forthcoming – these are described in greater detail in Chapter 3.

CHAPTER THREE

3 LITERATURE REVIEW

3.1 INTRODUCTION

This chapter expands on the foundation laid in Chapter 2, which gave an overview of the various classic adoption theories. By means of a review of recent studies completed in this field, this literary review aims to reassert the value of employing theoretical models in understanding the potential adoption behaviour of the intended target customer.

The resulting value of such consideration is in understanding how to support business practitioners to test customer perceptions prior to and during the launch of technology-enabled initiatives, and therefore contribute to the likelihood of successful deployment and market acceptance of the proposed new service (product).

3.2 INTERNATIONAL STUDIES

Mobile banking, especially in the South African context, is still a new (and academically under-explored) phenomenon. In addition, because industry studies are generally proprietary and research work done is for commercial gain and competitiveness, current reference studies are very limited (Bak, 2003; Luarn & Lin, 2005).

This is even more so where individual users are used as the unit of analysis. Hence, the scope of this research has been extended to include the international arena as well.

The following section lists a review of some recent research conducted. For ease of reference, studies have been grouped according to the predominant theme thereof, which focus on either the:

- Acceptance of new technologies per se
- Acceptance of mobile services specifically.

3.2.1 Acceptance of new technologies

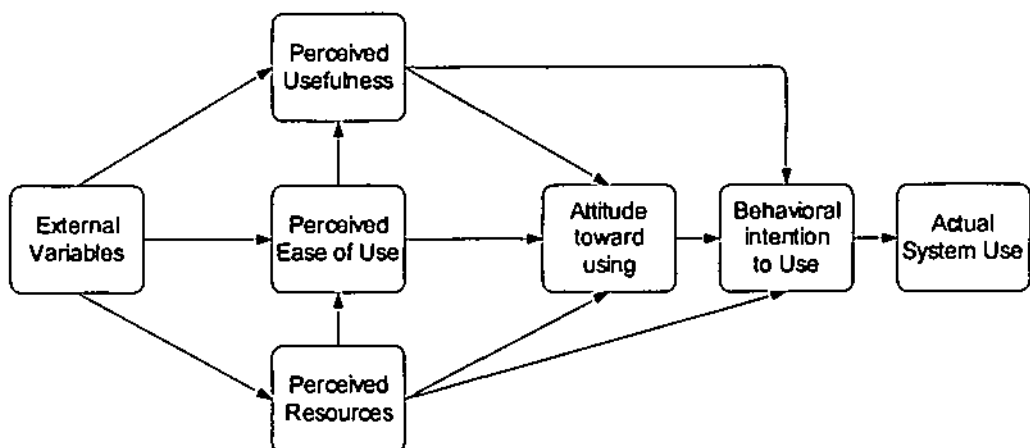
This section will review some recent studies, which investigated the adoption behaviour by specifically focussing on the acceptance of new technologies in general. The following studies are discussed:

- The extended Technology Acceptance Model
- The revised Technology Acceptance Model with separate Affective and Cognitive Attitudes
- The determinants of Perceived Ease of Use
- Technology Acceptance for T-commerce

3.2.1.1 The extended Technology Acceptance Model

The extended TAM uses the classic TAM (2.3.3) as its foundation. Mathieson, Peacock and Chin (2001) propose the addition of a new factor, i.e. perceived resources, as shown in Figure 3-1 below.

Figure 3-1: Extended Technology Acceptance Model



Source: Mathieson et al, 2001

From their study, Mathieson et al, (2001) conclude that perceived resources is a critical factor for user acceptance. In addition they propose that a better understanding of perceived resources is possible by reviewing it in terms of four variables, i.e.:

- User attributes, which relate to expertise held by the individual as well as his / her particular situation.
- Support infrastructure provided by others individuals. These relate to the support provided by either the organisation and / or reference groups. Note that the influence of social pressure is also accounted for here.
- System attributes, which are very particular to the characteristics of the system under investigation.
- General control, which is concerned with the individual's general beliefs about his / her direct control over the actual system use (Mathieson et al, 2001).

Their findings bear relevance to this study in that the target customer must preferably:

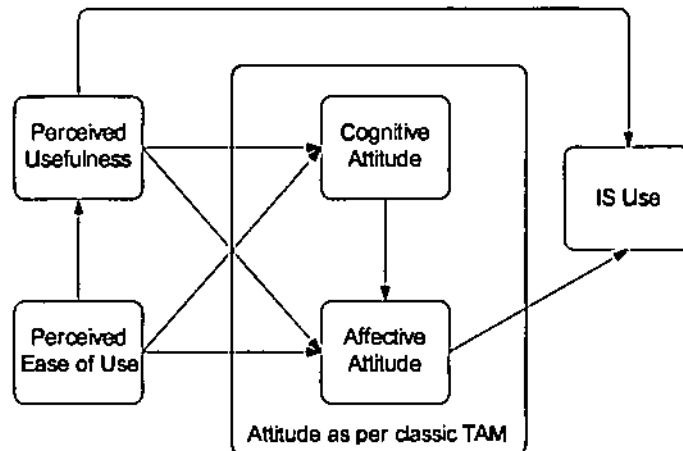
- Have free access to the required resources (e.g. cellphone) and also have a general comfort level in using the resource (e.g. the expertise to send SMS).
- Have support provided by others (e.g. Wizzkids, other existing customers as well as family and friends) to not only aid them through the initial first experience, but also to exert influence by means of social pressure.
- Have positive general beliefs of the usefulness of proposed new service (product).

3.2.1.2 The revised Technology Acceptance Model with separate Affective and Cognitive Attitudes

The revised TAM uses the classic TAM (2.3.3) as its foundation. Yang and Yoo (2004) are of the opinion that attitude, as defined in the classic TAM, is not optimal. Considering social literature, which clearly states that attitude has both cognitive and affective components, they postulate that attitude is in fact an aggregate measure (Yang & Yoo, 2004).

Figure 3-2 highlights how Yang and Yoo (2004) review attitude in greater detail by making a distinction between affective and cognitive aspects. Note the different mediating roles of these two attitudes on perceived ease of use, perceived usefulness and the IS (information system, which in the context of this study refers to cellphone banking) use itself (Yang & Yoo, 2004).

Figure 3-2: Revised Technology Acceptance Model with separate Affective and Cognitive Attitudes



Source: Yang & Yoo, 2004

This study took place in the United States of America and the primary data was gathered from undergraduate students, majoring in Management Information Systems (MIS), who are representative of a technology affluent group.

These are sophisticated users with greater computer self-efficacy, allowing the research more freedom to probe deeper into the affective and cognitive levels of attitude itself.

The Yang and Yoo (2004) study bears relevance to this study in that in the process of gaining a better understanding of the role of attitude and how it influenced behavioural intent, Yang and Yoo (2004) define attitude in greater detail by making a distinction between affective and cognitive aspects.

The study defines the affective component as how much the target user likes the relevant object (in this study this refers to cellphone banking as a service / product). In contrast, the cognitive component relates to the target user's specific beliefs related to the object as relevant to him / her (Yang & Yoo, 2004).

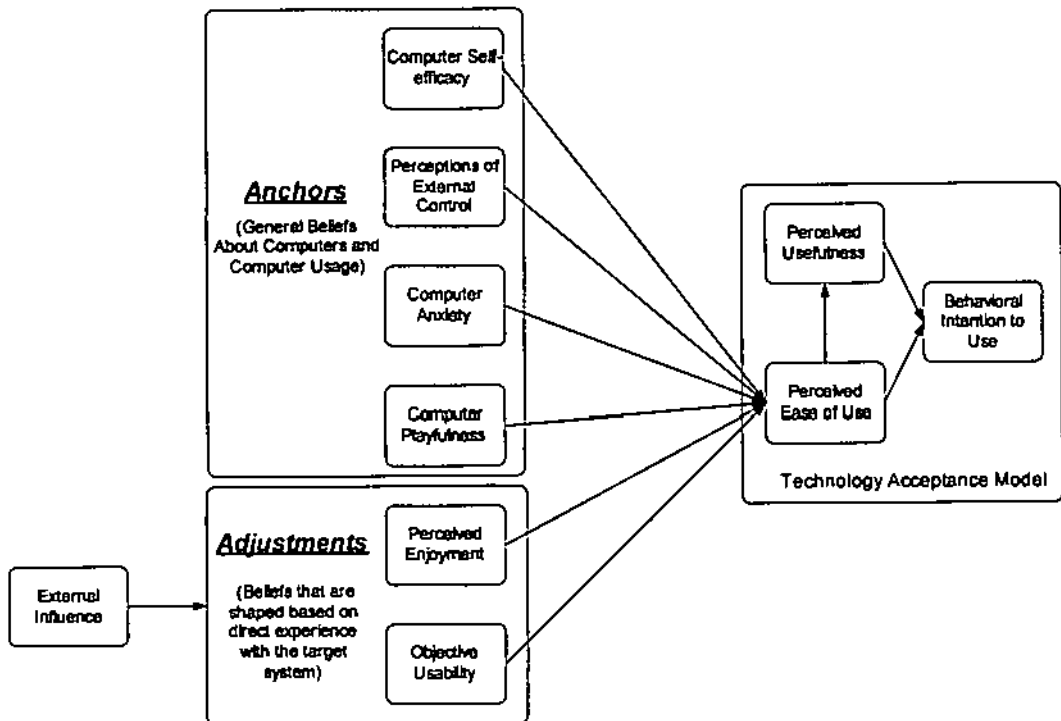
3.2.1.3 The determinants of Perceived Ease of Use

The Venkatesh (2000) study uses the classic TAM (2.3.3) as its foundation. However, it took a different perspective as it aimed to explain the determinants of perceived ease of use as a primary factor in user acceptance as well as the effective use of the (new) information technology.

As can be seen from Figure 3-3, Venkatesh (2000) hypothesises that perceived ease of use is supported by two distinctly different sets of factors, i.e.:

- Anchors, which are general beliefs about computers and computer usage.
- Adjustments, which are beliefs that are shaped based on the individual's direct experience with the relevant target system (new proposed technology enabled service / product).

Figure 3-3: Determinants of Perceived Ease of Use



Source: Venkatesh, 2000

Prior to direct experience with the new service (product), the target user is expected to anchor his / her perceptions of the ease of use to his / her general beliefs regarding technology enabled services (products) per se.

From Figure 3-3, Venkatesh (2000) validates his constructs as follows:

- Control, which reflects situational enablers (or conversely inhibitors) to effect behaviour (use of service / product). This is indicative of the target user's perception of access to resources, opportunity and relevant know-how needed to enact the specific intended behaviour. Control is divided in internal control (computer self-efficacy and perceptions of proficiency) as well as external control, which represent perception pertaining to the general facilitating conditions. Factors included under external control include easy access to support staff, which aid the target user to overcome hurdles throughout the adoption process.
- Intrinsic motivation is conceptualised as computer playfulness, which reflects a belief that the adoption process will be enjoyable. Thus the adoption process is approached with curiosity and viewed as a positive challenge. It is not perceived as being a burdensome effort. Playfulness reflects the spontaneity of the user's interaction with the new technology enabled service (product). This correlation implies a positive relationship between perceived ease of use and general computer playfulness.
- Emotion is conceptualised as computer anxiety, which is understood as the target user's apprehension (fear) when first considering the use of the unfamiliar technology enabled service (product).

With increasing exposure to the new service (product) the target user is expected to adjust his / her perception of the ease of use to be reflective of his / her previous experience. Included in this category is:

- Perceived enjoyment, which reflects that the actual behaviour (actions resulting in usage of service / product) is perceived positively. Thus the action itself is deemed pleasurable and enjoyable, invoking a desire to repeat it in the future.
- Objective usability allows for comparison of the service (product) in relation to the traditional alternative (i.e. classic transactional banking) based on the actual effort exerted to affect to behaviour (Venkatesh, 2000).

The key value of this study is in understanding the determinants of one of TAMs key constructs, i.e. perceived ease of use. Through the Venkatesh (2000) study

researchers are provided with a clearer understanding of user adoption. Venkatesh (2000) brought a better understanding of the dynamic underlying user perceptions, its formation and subsequent change following on experience of use.

The Venkatesh (2000) study bears relevance to this study in that:

- It found that with increasing direct experience with the new service (product) “adjustments” play a defined role. However, “anchors” remained to bear great influence on user adoption. In fact, Venkatesh (2000) found that certain general anchors (self-efficacy and facilitating conditions) were indeed stronger determinants.
- Venkatesh (2000) concludes that although user interface design is the typical point chosen (by systems engineers) to enhance user acceptance, there are numerous factors, not directly related to user-systems interaction, which are conceivably more important. An example of such a critical factor is self-efficacy.

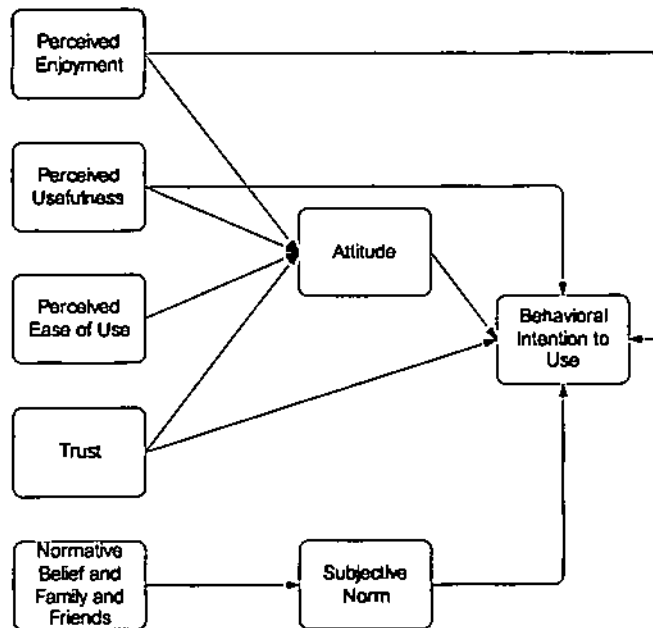
3.2.1.4 Technology Acceptance for T-commerce

The (yet unpublished) work of Yu, Imsook, Choi and Rho (2005) rests on the classic TAM (2.3.3). This study focuses on the adoption of interactive television as a channel for commerce.

As is depicted in Figure 3-4, focus is extended to include the following factors as well, i.e.:

- Perceived enjoyment, which is reflective of intrinsic motivation
- Trust, which relates to both trust in the service (product) providers (e.g. the bank entity) as well as the effectiveness of the medium itself (i.e. in relation to this study this refers to effecting transactions by means of the cellphone per se).
- Normative beliefs of family and friends, which is precursory to subjective norms - thus representing social pressure (Yu et al, 2005).

Figure 3-4: Technology Acceptance for T-commerce



Source: Yu et al, 2005

The following conclusions from the Yu et al, (2005) study are significant to this study:

- Perceived enjoyment is the most important determinant for a positive attitude and behavioural intention.
- Trust in the service (product) provider is very important, especially in situations bearing financial implication.
- Potential adopters can be influenced by positive word-of-mouth from family, friends and other adopters.

3.2.2 Mobile services specifically

This section will review some recent studies, which investigated the adoption behaviour by specifically focussing on the acceptance of mobile services in general. The following studies are discussed:

- Revised Technology Acceptance Model
- Extended Technology Acceptance Model

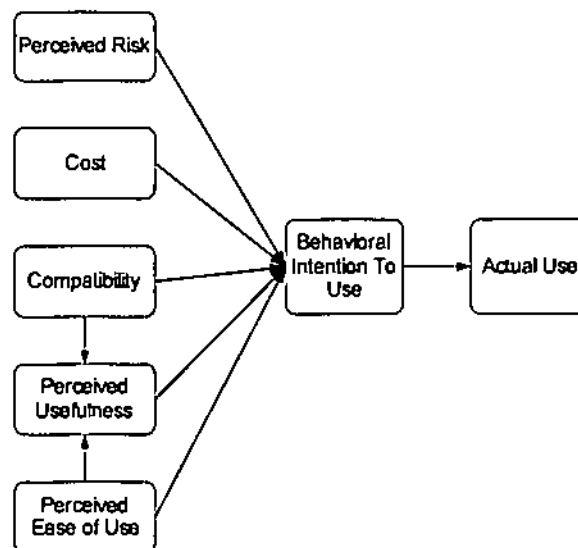
3.2.2.1 Revised Technology Acceptance Model

Wu and Wang (2005) use the classic TAM (2.3.3) as foundation for their model. They propose that the classic TAM needs to be extended to provide a closer fit with mobile commerce in general.

As is depicted in Figure 3-5 below, Wu & Wang (2005) suggest that three additional factors be incorporated, i.e.:

- Perceived risk, which relates not only to classical financial risks such as fraud, not also includes a perceived potential risk from immature technology.
- Cost, which considers not only the cost of the service (i.e. transaction fees), but also indirect costs (e.g. equipment cost, access cost) as migrating to mobile commerce may necessitate or nullify additional costs.
- Compatibility, which is the degree to which the new service (product) is perceived to be constant and coherent with the target user's needs, previous experiences and existing values (Wu & Wang, 2005).

Figure 3-5: Proposed model for mobile commerce acceptance



Source: Wu & Wang, 2005

For the purposes of this study, the following conclusions from the Wu and Wong (2005) study, conducted in Taiwan, are noteworthy:

- Compatibility has the most significant effect on behavioural intention to use and the second most important on the actual usage. It is therefore crucial

that compatibility is enhanced. This can be achieved by considering the target user's needs, past experience, lifestyle and beliefs with the specific purpose of fulfilling these customer expectations.

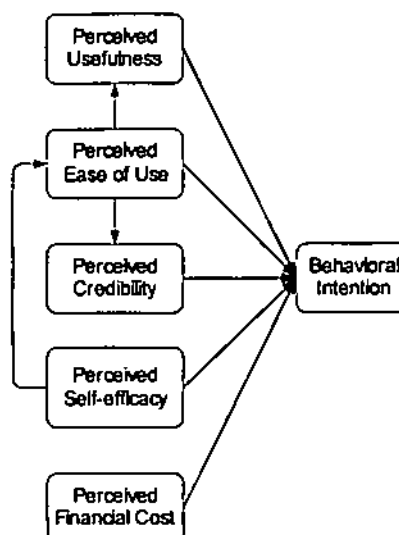
- Service (product) providers must educate and train the target users in using the proposed service (product).
- Cost is one of the most important predictors of adoption. Excessive cost has a direct negative impact on behavioural intention to use.
- Perceived risk has a direct impact on behavioural intention to use.

3.2.2.2 Extended Technology Acceptance Model

Luarn and Lin (2005) use the classic TAM (2.3.3) and the TPB (2.3.2) as foundation for their model. In addition they propose that specific attention (as depicted in Figure 3-6) needs to be given to:

- Perceived credibility, which relates to the target user's perception that using mobile banking has no significant threat to his / her privacy or security. It has close relation to perceived risk and trust.
- Perceived self-efficacy, which reflects the target user's belief that he / she possess the needed proficiency to use mobile banking.
- Perceived financial cost, which is defined as the extent to which the target user believes that using mobile banking will be costly.

Figure 3-6: Understanding the behavioural intention to use mobile banking



Source: Luarn & Lin, 2005

For the purpose of this study the following conclusions from Luarn and Lin (2005) study, conducted in Taiwan, are noteworthy:

- Perceived credibility has a stronger influence on behavioural intent than the determinants of the classic TAM. This implies that privacy and security issues have significant relevance in the target user's decision to use mobile banking.
- Mobile banking service providers must employ innovative pricing and promotional strategies decisively. Such action can greatly influence the target user's belief of perceived financial cost.
- Mobile banking service providers must increase the target user's intention to use cellphone banking by focusing on strategies that enhance the target user's perceived self-efficacy. Suggested means of achieving this is through training courses and access to support staff.

3.3 THEORETICAL MODELS

The following theoretical models have been identified as pertinent for this study:

- The Compass Acceptance model for the analysis and evaluation of mobile services (Amberg, Hirschmeier & Wehrmann, 2004).
- The Disruptive Innovation model (Christensen, 1997).

The aforementioned sections have highlighted those elements deemed critical to understand the adoption of cellphone banking as a mobile service. The Compass Acceptance model provides a convenient structure in which these elements will be reviewed.

3.3.1 The Compass Acceptance Model

Compass (a **CO**operation **M**odel **P**ersonalized **A**nd **S**ituational dependent **S**ervices) presents a conceptual framework for rendering mobile services. This framework encapsulates the fundamental requirements for a service platform to co-operatively develop and provide situation dependent mobile services. It considers the various influences relevant for developing and providing mobile

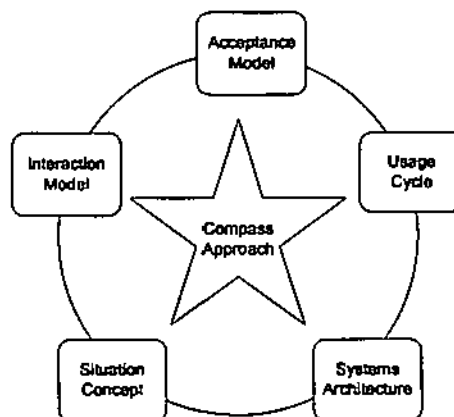
services per se. These include economical, legal, technical as well as special market conditions that may be deemed essential (Amberg et al, 2004).

The framework (Figure 3-7) integrates five major components, i.e.:

- **Usage cycle.** This details the various service types and the process of delivering situation dependent mobile services.
- **Situation concept.** Here the emphasis is on how the usage context is structured. E.g. how situation specific information is made available for co-operative service delivery within each unique situation.
- **Interaction model.** Here the focus is the co-operation between the relevant partners, who join to render the mobile service. It describes how information and services flow amongst these various partners.
- **Systems architecture.** Here the focus is on the underlying systems infrastructure needed in the overall process on delivering the mobile service. The aim is to detail those technical influences that aid the adoption of the situation concept.
- **Acceptance model.** This presents a tool for the analysis and review of user acceptance, with the explicit purpose to further enhance the mobile service itself. The ultimate aim is to structure the overall mobile service in such a way as to encourage greater user acceptance of it (Amberg et al, 2004).

Figure 3-7 highlights the relationship amongst these various components in the Compass framework.

Figure 3-7: Five key components of the COMPASS approach



Source: Amberg et al, 2004

In the context of this study the Compass Acceptance Model (CAM) invokes special attention. It is ideal as it is especially designed for the analysis and evaluation of user acceptance of mobile services. Taking all the discussed models and their basic and common principles into account, this model harmonises well with the fundamental elements important in reviewing acceptance and adoption behaviour.

Therefore, it is an ideal tool for this study as the model helps verify the perceptions concerning user acceptance and to understand the implication for better service design (Amberg et al, 2004).

Although CAM is one of five integrated components within the overall Compass framework, it is of particular importance, as it impacts all the other components, emphasising the lead role user acceptance plays in the successful commercialisation of a mobile service offering (Amberg et al, 2004).

This research study will use CAM. As can be seen from Figure 3-8, CAM is structured as a balanced set of complementary categories:

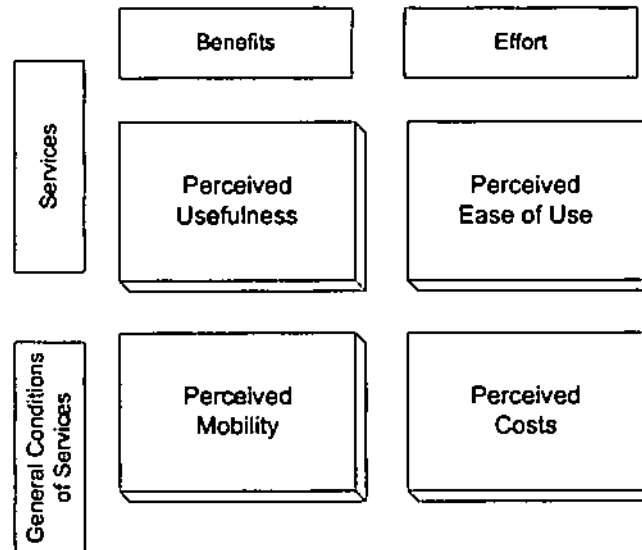
- **Benefits**, which is reflective of the gains of owning the service and **Effort**, which is reflective of the 'human cost' to obtain the benefit
- **Service Specific Conditions** and **General Conditions of Services** (Amberg et al, 2004).

This classification (benefits, efforts, service specific conditions and general conditions of service) henceforth serves as a matrix hosting four key dimensions, which are the cornerstone of the evaluation of user acceptance. Herewith a brief description of each of the four key dimensions as depicted in Figure 3-8, i.e.:

- **Perceived usefulness** is classified as a benefit, which will incentivise the use of the service.
- **Perceived ease of use** is classified as an effort. It is directly related to the degree to which the target user believes that using the service will be 'effortless'.

- **Perceived mobility** is classified as a general service condition yielding distinct benefits. It relates to accessibility by means of network coverage and technological infrastructure strength.
- **Perceived costs** are classified as an effort. It considers not only direct monetary costs, but also non-monetary costs such as health risks and data security.

Figure 3-8: Dimensions of the Compass Acceptance Model



Source: Amberg et al, 2004

The criticality of CAM, is motivated by the fact that it:

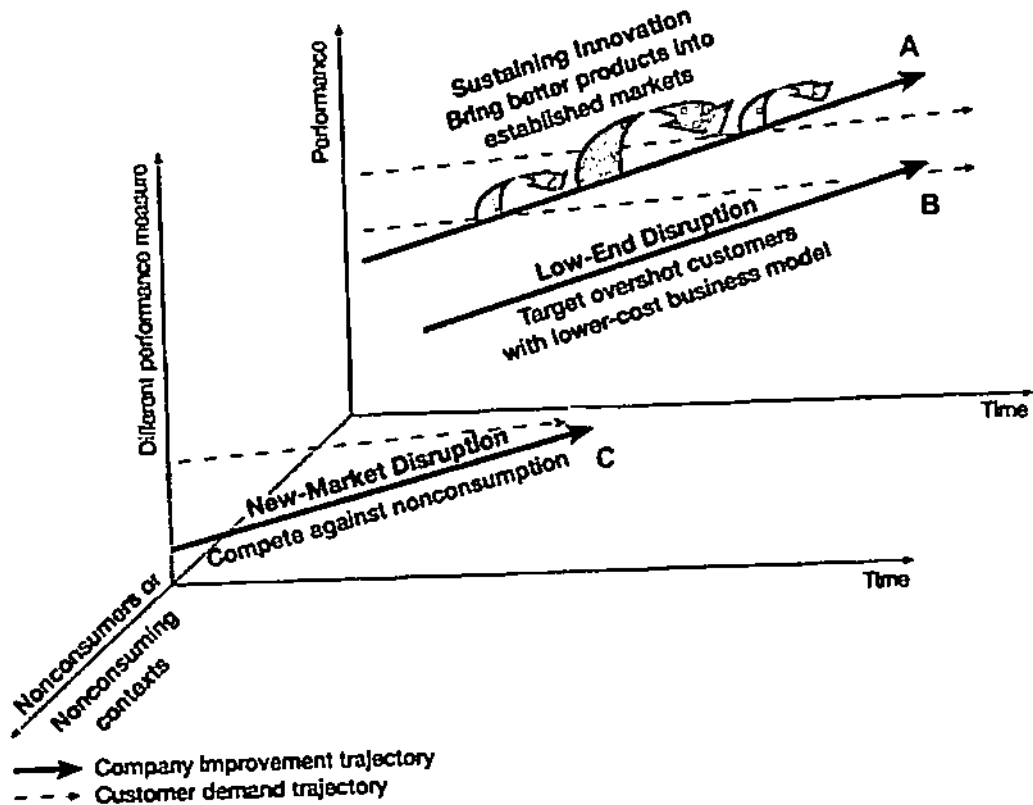
- Covers the critical elements for establishing mobile banking as a new payment channel of choice. (Usefulness, ease of use, cost, mobility).
- Focuses on the target market's perceptions of mobile banking, making these the decisive reference point for the evaluation, and is therefore very well poised for qualitative field work.

3.3.2 The Disruptive Innovation Model

Christensen's disruptive innovation model illustrates situations where an organisation can use relative simple and less costly innovation to present more a more convenient service (product). It takes cognisance of how established providers are overthrown and robbed of their market leadership position, based on their complacency when this technology is introduced. This complacency is

due the seemingly inferior performance of the new technology on those attributes, which the current mainstream market customers deem important. (Christensen, 1997)

Figure 3-9: The disruptive innovation theory



Source: Christensen et al, 2004

Figure 3-9 illustrates Christensen's disruptive innovation model (Christensen, Scott & Roth, 2004). First, note the dotted lines. These are indicative of the target market's demand for the relevant service (product) as measured in a need for the performance of the relevant service (product). The upper margin reflects high end demand, while the others reflect low end demand.

Next, consider the solid lines (A, B and C). These are all improvement trajectory lines, i.e. these illustrate how the relevant service (product) gets better over time, i.e.:

- **Line A.** This is the **sustaining performance trajectory**. It refers to how the relevant service (product) is improved over time employing factors

already known within this sphere. Thus it brings better products into the established market.

- **Line B.** This is the **low end performance trajectory**. It refers to how the relevant service (product) is improved over time employing factors not yet known within this sphere. Thus it brings a new class of products, yielding slightly lesser performance into the established market. However, this class brings benefit to the target user in terms of simplicity, convenience and cost, and thus takes root at the low end of the established market.
- **Line C.** This is the **new market performance trajectory**. It refers to how the relevant service (product) is improved over time employing factors not yet known. Thus it attracts a totally new market, which means it introduces non-consumers into the market. The criteria against which these new consumers measure the service (product) are totally new, thus the third axis (Christensen et al, 2004).

Thus in summary two very different kinds of disruptions can be identified, i.e.:

- **Low end market disruption:** Where the new technology / product is aimed at luring away customers at the low end of the existing market. This refers to those customers, who are at present are the least profitable. In the context of this study, this refers to underbanked individuals. This is represented by line B in Figure 3-9.
- **New market disruption:** Where the new technology / product is aimed at introducing non-consumers into the market. This means that the market is expanded as new consumers are introduced to the market. In the context of this study, this refers to unbanked individuals. This is represented by line C in Figure 3-9 (Christensen et al, 2004).

In both situations described above, the newcomer (cellphone banking service provider) gains expertise and has opportunity to build real 'challenger capacity' in these unobtrusive market segments. This is because the traditional leader (for the classic current service / product) do not believe that their position is threatened in any way. This is based on the fact that the new introduction is deemed inferior (in performance traditionally used to grade that service / product) compared to the classic service (product). In time the challenger gains good expertise and momentum in those segments they choose as a niche, and

are able to challenge adequately based on the new benefits the new technology delivers. By word of mouth the message spreads in the overall market, and because the underlying technology itself has now matured, it is indeed able to challenge the current players (Christensen, 1997; Christensen et al, 2004).

A fundamental element with disruptive innovations is being quick to market. It is more important than being best – building brand awareness and gaining market experience is crucial.

Based on Christensen's Disruptive Innovation model (Christensen, 1997; Christensen et al, 2004), ultimate success is a function of the market leaders' flexibility to adapt to insights gained from a trial and error approach. Due to the market being unknown, trial and error is often the only way in which to discover a winning business perspective.

Porteous and Hazelhurst (2004: 187) make an interesting statement to challenge the financial sector to consider the power of disruptive innovation:

"We have seen few disruptive innovations in the financial sector over the past decade. However, we have seen disruptive innovations in other sectors, particularly in telecommunications. The introduction of cellphones in South Africa . . . has led to explosive growth to the number of people who have wireless service – at the cost of the older fixed-line service. Many of these are people who were regarded as too poor to afford the service. But people pay for what they value . . . The successful uptake of cellphones (which is also subject to network effects) offers a clear challenge to the financial sector to emulate, by allowing disruptive innovation in the next decade. . . . Cellphones are likely to become important payment channels for payments and financial transactions over the next decade."

3.3.3 Analogy to frame the acceptance of cellphone banking

The following analogy illustrates the potential disruptive value of the mobile transaction channel.

Consider Burges's (2002) research leading to the classification of the South African consumer population into four broad groups (1.2). For the purpose of

this illustration each group is identified by a unique persona. (See Figure 1-3 on p6).

Each persona has a custom and preferred means of travel, which is strictly governed by his available budget and circumstances:

- Urban elite – Mostly travels by aircraft.
- Urban Middle class – Mostly travels by automobile.
- Emerging consumer – Mostly travels by foot.
- Rural survivalist – Very seldom leaves home, due to fear that disaster will strike when he is not home.

It is very important to note that the choice of transportation is restricted by the persona's financial capacity, i.e. if he cannot afford to buy his own car he must either use public transport if available or alternatively walk to his destination.

Each of the dimensions of transportation is symbolic of the manner in which the related target user group goes about with their personal finances and how it is conducted, more specifically, how transactions are initiated:

- Travels by aircraft – Due to this client's high personal net worth and investment relationship with the bank, the bank comes to the place of the persona. This implies a mere phone call will initiate the transaction process. However, in this illustration the most suitable means of travel will be deemed as by automobile, i.e. Internet banking.
- Travels by automobile – This persona uses Internet banking via the infrastructure provided at his place of work / residence.
- Travels by foot – Because this persona does not have easy access to the underlying Internet infrastructure, he must go to the physical branch of his banking institution, and must initiate transactions at teller point or ATM
- Does not travel – this persona is really only surviving and scarcely has a fleeting thought for owning a bank account. He is too occupied by much more urgent and essential needs, such as to have enough to eat and a safe place to sleep.

Now, consider that each persona is faced with a similar need – each one needs to travel to a family relative's home, 5 km away - to attend to a pressing

personal matter. What will be their most predictable action, i.e. which means of travel will they employ to address the family dilemma? It seems obvious. Each persona will revert back to the precedent already established! Taking into consideration all factors (chapters 2 & 3), bearing influence on this potential adoption, how will these behaviours change when a new means of transportation becomes available?

For the purpose of illustration, the new form of transport (by bicycle) symbolises cellphone banking. Due to the fact that the user interface of a standard cellphone is not as 'rich' when compared to the Internet banking interface and also the relative costs factor weighed against the added value gained, the most logical target market should be the 'emerging consumer', who will regard travel by bicycle as a huge improvement when compared to travel by foot!

It is also pertinent to acknowledge that over time, once cellphone banking has become an established service (product), the other groups will equally benefit from this value and thus they too will seek it out. However, at its initial introduction it is more likely that only low end consumers and new market consumers will deem its initial performance adequate.

Introducing a disruptive innovation requires special care. In advising organisations to deal effectively with the threat of disruptive technology, Christensen (1997) sets out a framework of 4 key principles, i.e.:

- Give the responsibility to an organisation whose customers really need their benefits. This will ensure that sufficient resources will be made available to focus on its development and deployment.
- Set up an organisation of a size instep with the market opportunity – due to the uncertainty, this may only be a small captured market. Thus the organisation must also be small, so that it will be 'excited' and eager to go for these small gains.
- Plan for failure. Once again due to the uncertainty, there is no chartered course and the organisation will learn by trial and error. Hence, there must be allowances for making mistakes and the flexibility to adapt to a new course swiftly will be essential.

- Don't over anticipate watershed breakthroughs – move ahead early and work with what the technology is offering currently. The future is still 'vapour' and it will be foolish to bargain on potential ideals in preference to current realities.

3.4 PREVIOUS SOUTH AFRICAN STUDIES

After relentless review of recent academic literature, one previous South African study, done by Brown, Cajee, Davis & Stroebel in 2003, has been found.

Brown et al, (2003) conducted an exploratory field study involving 162 respondents, mostly from Cape Town, using convenience sampling. The aim of the study was to examine the factors that influence the adoption of cellphone banking in South Africa. The Brown et al, (2003) study was founded on the framework developed by Tan and Teo (2000), designed to identify and test those factors potentially influencing the adoption of Internet banking. (Appendix C.)

Brown et al, (2003) research identified that the consumer's banking need together with relative advantage and trialability are the positive influencers driving cellphone banking adoption, whilst perceived risk is a major negative influence inhibiting the adoption of cellphone banking.

However, it serves to highlight that the Brown et al, (2003) sample is not comparative to the sample of this study. Primarily, this is due to the fact that:

- The sample represented the young educated, who were already frequent and extensive users of banking services. These participants (comparatively) represented the more affluent sector of South African society. Conversely, the target population of this study is unbanked and underbanked individuals.
- Following on from the previous point, the Brown et al, (2003) measurement instrument is deemed 'complex'. In terms of the SA tribes pyramid (see Figure 1-3 on p6), this previous study's sample is representative of the 'urban middle class'. These participants are more exposed to market

research and therefore very comfortable with a quantitative instrument as employed in the Brown et al, (2003) study. In contrast, this current study is representative of the 'emerging consumer' (1.2).

3.5 CONCLUSION

All models used in these above mentioned studies strike accordance with one another, as the basic ideas are very similar. This section will serve to highlight some additional elements deemed key to this study.

Trust is a critical element in commerce and any situation bearing a financial implication, particularly with confidential matters such as financial services. The client must have a strong conviction that his / her interests will be both respected and safeguarded and that the relationship forged will be mutually beneficial (3.2.1; 3.2.2).

The Oxford Dictionary (1997) defines 'trust' as follows: "A firm belief that a person or thing may be relied on" and "to hold a confident expectation".

It implies that the target user wants to engage in interaction. However, trust is a very abstract concept. Taking cognisance of the context of this study, trust as a central theme has a bearing in terms of:

- The target user is eager to conclude the transaction because he / she really wants the product on offer. This implies target user values having a transaction account, which is the kingpin of stimulating ongoing active usage of the transaction account. This links to perceived usefulness (2.3; 3.2.1; 3.2.2) and compatibility (2.3.4; 3.2.2).
- The target user feels confident and positive about the identity and status of the service provider (i.e. the bank) and wants to complete the transaction. This links to perceived credibility (3.2.1; 3.2.2).
- The target user is confident and positive about the nature of the transaction process itself. Thus he feels comfortable and competent to use it appropriately. This is explicitly linked to a comfort with cellphone technology

itself and believing that this method of transacting is trustworthy. This links to perceived ease of use as well as self-efficacy. Computer self-efficacy represents the target user's belief about being able (proficient) to perform the actual behaviour (cellphone banking per se) (3.2.1; 3.2.2).

Finally, in closing this section, all models discussed in previous sections strike accordance with the Compass Acceptance Model, (3.3.1) in that much emphasis is likewise placed on the consumer's perceptions that affect the decision of whether to use a mobile transaction channel.

It is pertinent to note that none of the samples (used in the studies listed in previous sections) can be deemed comparable to the target population of this study. This sample is very specific to the emerging consumer, whereas samples of the reviewed studies mostly represent either the technology affluent or the financially affluent.

In addition, in each instance primary data was gathered by means of self-administrated questionnaires. In this study it is not deemed to be a preferable method of data collection considering the selected population (4.4).

CHAPTER FOUR

4 RESEARCH STRUCTURE AND DESIGN

4.1 INTRODUCTION

The research aims to investigate the viability of providing a mobile access channel (via cellphone) for the purpose of extending access to financial services (1.3).

This channel will specifically target the lower LSM groups as stipulated in the FSC, i.e. South Africa's under- and unbanked market. It is pertinent to highlight that this target segment is the emerging consumer as defined in section 1.2.

The objectives of this study are:

- To investigate the target market's perception regarding the potential of using a cellphone, supported by a (Maestro) branded debit card, as a payment instrument.
- To identify customer readiness and receptiveness. Both these elements are crucial to the successful introduction of a cellphone access channel. It is essential that new ways of transacting, and more specifically those brought on by the application of technology, must pass the acid test of customer acceptance, leading to active usage thereof (MircoSave, 2004).
- To identify which marketing and communication approach delivers the desired trust to use the offering. This would allude to an approach of how consumer proficiency can best be enhanced in the shortest space of time. Thus, understanding the importance of trust and how to best to leverage it.
- To consider the disruptive potential of a mobile access channel (i.e. cellphone banking) in terms of the South African banking industry.

The target customer's willingness to embrace the offering will be deemed a reflection of his / her perception that the value proposition is worth the 'cost' to 'own' it.

The dimensions of the Compass Acceptance Model (3.3.1) is employed as the guiding framework to classify those factors deemed relevant to the individual in making his / her decision whether (or not) to engage in cellphone banking.

A general 'openness and positive attitude' exuded toward the service (product) will be indicative that is there a 'buy-in' to the cell phone banking value proposition.

4.2 RESEARCH METHODOLOGY

This is an exploratory study, structured as a combination of a theoretical engagement supported by an empirical data collection (Bak, 2004). Herewith an outline of the research methodology:

- Theoretical engagement. Literary review on extant knowledge, with preference given to international academic and business journals (Chapter 2 and 3).
- Deliberation of recent developments within the field from the perspective of organisations and agencies, which are deemed key role players in the advancement of financial access and community development, e.g. MircoSave and FinMark Trust.
- Interaction with relevant business practitioners, i.e. entrepreneurs and forward thinking business enterprises (E.g. Wizzit Bank, a division of The South African Bank of Athens, currently operating a cellphone based model).
- Field research, where empirical data was collected.

4.3 METHOD OF PRIMARY DATA COLLECTION

The field research was done in the format of structured focus group discussions. The empirical data was collected over a two-week period in mid 2005 from two primary sources:

- Wizzit's sales agents, also referred to as 'Wizzkids'
- Current Wizzit clientele.

4.3.1 Wizzkids

Wizzit agents (Wizzkids) require special attention as they are in direct contact with the target customer / client and therefore have a wealth of information to offer on client perceptions of Wizzit, as well as their own experiences. Issues probed with Wizzkids include:

- Perceived reaction of the target market (Perception of clients; what clients like about Wizzit and what makes them sign up; why Wizzit is rejected by some potential clients).
- Own perceptions of Wizzit products, distributions network and marketing approach.
- Support and training deemed necessary by Wizzkids.

It serves to mention that Wizzkids earn income on a commission basis.

4.3.2 Wizzit clientele

As direct users of the new service (product), clientele provide essential feedback. Issues probed include:

- Appropriateness of product functionalities offered (Probe for strengths and potential challenges around specific product features and distribution network).
- Role of Wizzit Bank (Why and when use Wizzit as opposed to other financial service providers).
- Perceptions held of Wizzit (Perceptions of agents / Wizzkids; products features; distribution network; partners as well as key challenges faced).

- Perception of Wizzit's marketing approach.

Frequent users provide the best opportunity to successfully test the issues listed above. However, to identify possible reasons for low usage, low usage clients were also included.

Age was deemed an important variable. Motivation for this is two-fold, i.e.:

- This new service (product) has a strong emphasis on technology as an inherent part of its nature. Age, as a demographical variable, is often believed to be a strong indicator of 'innovativeness curiosity', yielding greater willingness to enact behavioural change.
- Conversely, recent statistics of Mzansi account holders reveal that the majority of account holders fall within the age group twenty-five years old to fifty-four years old.

For the purpose of this study two age groupings were applied, i.e.:

- Younger than twenty-five years old
- Twenty-five years old and older.

Gender was deemed an important variable. Motivation for this is three-fold, i.e.:

- There is a traditional perception that males are more likely to have responsibility for financial matters.
- There is a traditional perception that males are more inclined to services (products) which seem to present a 'technical challenge'.
- Recent statistics of Mzansi account holders reveal that a slight majority of account holders are of the female gender.

See Appendix A and Appendix B.

4.4 JUSTIFICATION OF METHOD EMPLOYED

4.4.1 The sample

As established in Chapter 1, Mzansi is the banking industry's initiative structured with the specific focus of addressing the needs of the underbanked and the unbanked, i.e. the emerging consumer. Wizzit, likewise, is also targeting the emerging consumer.

It is therefore, reasonable to view Wizzit and Mzansi comparable in terms of serving the same target market. Wizzit was an opportune sample, which provided access to the un- and underbanked as participants. However, it is pertinent to highlight that Wizzit clientele are no different from the general un- and underbanked populace. Thus, all perceptions are equally valid for the general populace of the un- and underbanked.

This study will use Wizzit Bank, a new market entrant in the banking industry, as its reference base. Thus Wizzit constitutes as the sampling frame for this research study.

4.4.2 The method of measurement

Qualitative research employs methods of data generation sensitive to the social context in which the data is produced. This is especially useful in situations where the variables studied are not easily measurable by numerical means (Cooper & Schlinder, 2003).

In terms of the objectives of this study (1.4), it is essential to establish a clear understanding of the perceptions held by the target market, which in the context of this study is understood to be the 'emerging consumer' (1.2).

From his research Burges (2002: 45) makes a profound statement: "Researchers are keenly aware that the more questions one asks in emerging economies, the greater the threat of reliability and validity."

Taking cognisance of this caveat it was important that professional market researchers, who were also trained to be sensitive to issues of social class, education, response bias and other issues, lead the focus group discussions. These professionals served as moderators channelling the discussions to achieve the set objectives.

Focus groups are useful in giving insights into not just what participants think, but also why they think it while at the same time revealing consensus and diversity of participants' needs, experiences, preferences, and assumptions. Focus group discussions achieve this through validation of views and discussions by the group members of the common perceptions, as well as highlighting the less commonly held views (Cooper & Schlinder, 2003).

Self-administrated surveys / questionnaires are not deemed as the most effective measurement method with this target population. This opinion is substantiated accordingly:

- Language of preference. Due to the fact that English is not the typical respondent's language of preference, self administrated surveys will necessitate not only a large administrative burden but also increase cost dramatically, while the respective benefits are doubtful.
- Literacy levels of the targeted universe. It is well acknowledged that although emerging consumers are 'street smart', literacy levels are generally low in this target group. This will have a strong negative impact not only in motivating participation, but also in gleaning meaningful data.

Telephonic interviews are also not deemed an appropriate method for this study. The telephonic interviews are generally used for quantitative research rather than to undertake in-depth qualitative research. This is mainly due to the limitation in terms of appropriate duration of a call as well as the ability to develop a rapport with the interviewee and therefore to do in-depth probing. This poses particular constraints in probing confidential matters such as financial services (Cooper & Schlinder, 2003).

In addition, telephonic interviews are also unsuitable for this target market where interviews generally take longer than with more sophisticated clients. Hence, this approach could also prove very costly to both parties, as mostly only cellphone numbers are available for Wizzit clients (Van den Berg, 2005).

4.5 CONCERNS WITH DATA COLLECTION AND COMPENSATING MEASURES

The populace of this study has been identified as the emerging consumer (1.2), who is also understood to be un- and underbanked.

4.5.1 The sample

Due to the fact that Wizzit has only been operating in the market since late 2004, its clientele is very new. This brings about two concerns, i.e.:

- Insufficient participation may be an obstacle.
- Habits may still be forming, as Wizzit clientele is not yet been exposed to this new service (product) for long.

The first concern raised above brought on some practical issues, i.e. the availability of respondents to partake in the study. This concern was addressed in that participants were enlisted in co-operation with Wizzkids, leveraging these trusted relationships, resulting in a convenience sample.

The second concern did not present a serious obstacle, as clients with lesser experience are comparable to “inexperienced users” as defined by Taylor and Todd (1995b) in their study focused on understanding the user acceptance.

As previously highlighted (1.7) a deliberate choice was made to only include participants from Gauteng. It is pertinent to highlight that consumers from Gauteng are no different from the general un- and underbanked populace anywhere else. In fact, it is reasonable to view these consumers as pioneers, who (acting as early adopters) will serve as lead users, to propagate the adoption of cellphone banking among their rural based friends and family members.

Since securing adequate participation is often a struggle in research studies, a monetary incentive was offered in exchange for participation.

4.5.2 The method

As financial matters are viewed as highly personal, it was crucial to build good rapport with the participants. Therefore, sessions with clientele were conducted in the respondents' home language.

All sessions were observed from an adjoining room via a one-way mirror. All participants were duly informed of the presence of such observers.

Special care was taken to create a conducive and open atmosphere during all focus group sessions, i.e.:

- All sessions were conducted outside office hours, affording respondents opportunity to attend without compromising their work obligations.
- Transport was arranged (on request) to the venue.
- Refreshments were served at the opening of all sessions. (It is well observed that food has a strong 'comforting' factor in most societies, hence it was used to create a friendly and receptive mood, conducive to open and fruitful discussions).
- Groups were kept small to encourage the active participation of all members. (Wizzkids groups consisted of 6 to 9 members and Wizzit clientele groups consisted of 4 to 9 members).

All proceedings were audio recorded and transcribes were prepared from these recordings.

4.6 TESTING OF PROPOSITIONS

This research acknowledges that it is not possible to statistically test user adoption with the qualitative data collected. That was not the intent of this study. Thus, due to the fact that the nature of this study is explorative and qualitative, and not quantitative, no statistical hypothesis testing is applicable.

It is particularly relevant to note that this study holds perceptions as its variable. Perceptions do not lend themselves to a quantitative investigation as a perception is a personal discernment of an individual's receptiveness based on his / her own individual prioritised criteria. This implies that there is no standard evaluation scale, which can be employed as a universal benchmark. Thus, data gathering was done by means of in-depth analysis undertaken through structured focus group discussion (Van den Berg, 2005).

As perceptions are often held subconsciously, the unguarded behaviour of the participants is very informative. All sessions were observed with the explicit purpose of gleaning non-verbal communications, which may be indicative of such held perceptions.

4.7 DATA PROCESS AND ANALYSIS

As a preparatory phase, a rigorous theoretical engagement provided an understanding of key determinants associated with user adoption per se, which served as an appropriate frame of reference.

A generic analysis was done on the empirical data gathered. The following approach was followed, i.e.:

- Observe sessions in person, focus on non-verbal communications.
- Review all transcribes to identify themes and / or patterns.
- Assess frequency of re-occurrence of main themes to establish prominence.
- Clustering of key themes / patterns.
- Seek to apply metaphors to illustrate main themes found in the data.

- Investigate comparisons and / or contrasts within the data.
- Investigate relationships.
- Build logical chain of evidence (Nkomo, 2005).

4.8 SECONDARY DATA SOURCES

Understanding the phenomenon of the un- and underbanked is of critical importance (1.1; 1.6). Within the South African context this has been thoroughly recognised.

Two role players, in particular, have been actively involved in research within this domain, i.e.:

- FinMark Trust, by means of the FinScope survey
- The South African Advertising Research Foundation, by means of the All Media & Products survey.

4.8.1 FinScope

FinScope, a FinMark Trust initiative, is a comprehensive national survey, focusing on the financial services needs and usage across the entire South African population.

FinScope was first piloted in 2002 with 1 000 households in urban areas. Subsequently, the first national survey took place in 2003.

Today, the FinScope survey is well recognised as the most comprehensive household survey on financial services in South Africa. FinScope SA (2004) was based on 2 988 face-to-face interviews.

The FinScope sample can be broken down in different ways, as is shown in Table 4-1.

Table 4-1: Composition of FinScope sample

Population (Sixteen years and older)	Percentage (%)
Black	77
White	11
Colour	9
Asian	3
LSM 1 – 5	67
LSM 6 – 7	19
LSM 8 - 10	14

Source: FinScope, 2004

As discussed in Chapter 1, access to financial services is not a one-dimensional problem (See Figure 1-1 on p2). As yet, there is no established procedure for measuring access itself. However, FinScope gathers data with the emphasis of considering the broader dimensions of access, e.g. associated cost and geographical proximity (Porteous & Hazelhurst, 2004).

FinScope 2003 and 2004 serve as secondary data source to this study.

4.8.2 All Media & Products Survey

The South African Advertising Research Foundation (SAARF) commissions the All Media & Products Survey (AMPS) on a biannual basis. APMS is of special significance in the South African context as it is the only major source of longer term trended data – it has been done since 1974.

APMS also developed the Living Standard Measure (LSM) as a basic measure to categorise respondents into defined market segments. At present the LSM scale consists of ten groups, based on observable characteristics – largely related to durable goods ownership. While LSM1 represents very poor households, mostly in rural areas, LSM10 presents the urban elite (South African Advertising Research Foundation, 2005).

The LSM1-5 groups is referenced in the FSC as a measure to define its target segment of unbanked and underbanked, emphasising that financial services

need to be more accessible to these individuals. (Financial Services Charter, 2003)

LSM1-5, as the poorer people in society, represents a significant portion of the South African population. FinScope (2004) reports that 19.4 million fell within the LSM1-5 bracket, representing 67% of the adult population, which is 29 million individuals over the age of 16 years.

AMPS also serves as secondary data source to this study.

CHAPTER FIVE

5 RESEARCH RESULTS

5.1 INTRODUCTION

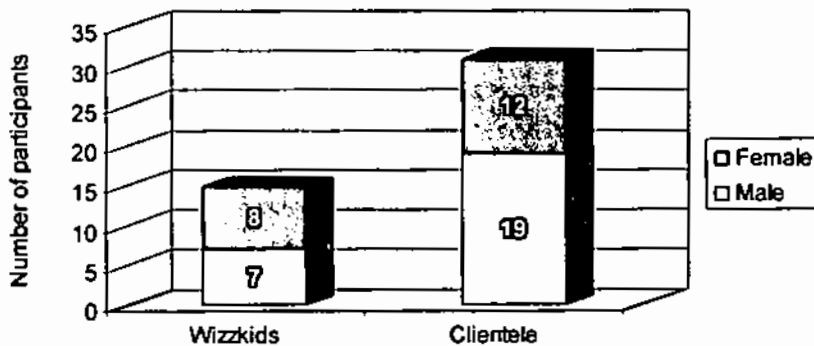
In the preceding chapters the development of the research has been presented. The primary objective was to obtain an understanding and appreciation of the various factors influencing the potential adoption of cellphone banking.

This chapter opens with a descriptive introduction, based on the biographical profile of the respondents.

5.2 BIOGRAPHICAL PROFILE

These results are the reflection of focus group discussions involving forty-six participants in total. Figure 5-1 highlights the gender distribution of the participants. Seven males (47%) and eight females (53%) represented the Wizzkids group, whereas the clientele group was made up of nineteen males (61%) and twelve females (39%).

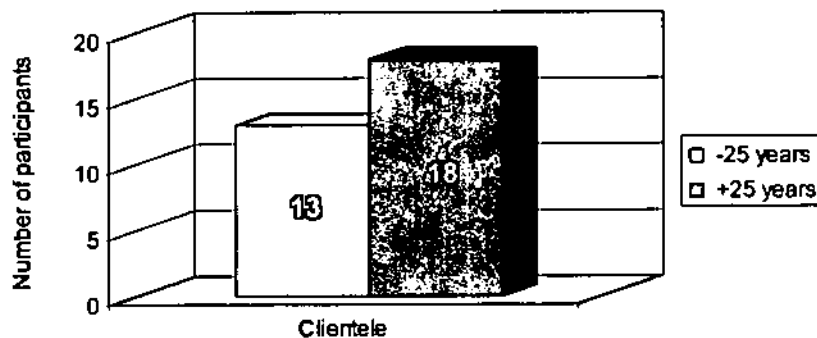
Figure 5-1: Gender distribution of participants



As both genders are well represented, the perceptions raised during the field work can be deemed equally applicable to both.

Figure 5-2 listed below highlights the age distribution of the clientele participants with thirteen participants (42%) being younger than twenty-five years old, and eighteen (58%) being older than twenty-five years old.

Figure 5-2: Age distribution of participants (Wizzit Clientele only)



A fair balance has been struck in the inclusion of both age groups, with good representation for each group. It is therefore reasonable to accept perceptions raised during the field work to be equally valid to both groups.

All participants were black South Africans from the Gauteng province (1.7). Seen in the light of how Burgess' work identified the emerging consumer (1.2) as well as the composite of the FinScope sample (4.8.1), the representation of this study's sample can be deemed as an acceptable and fair representation of the un- and underbanked. It is therefore reasonable to accept the perceptions raised during the fieldwork as universally representative of this target populace.

See section 6.8 for a description of those factors, which may be interpreted as impediments to this study and its results.

The remainder of this chapter will focus on relating the research results as they pertain to each of the key objectives as set out in section 1.4.

5.3 THE TARGET MARKET'S PERCEPTION

This section reflects the findings of the target market's perceptions regarding the potential of using a cellphone, supported by a Maestro branded debit card, as a payment instrument, based on the participants' perceptions of their experience of using their Wizzit accounts.

It serves to highlight that the Wizzit clients (including the Wizzkids, who are also themselves clients) are predominantly from the emerging consumer group (1.2) and as such, are a fair representation of this target populace (Richardson, 2005).

As established in chapter 3, the Compass Acceptance model (CAM – 3.3.1) serves as the frame of reference. Findings are grouped according to the four key dimensions as per CAM for ease of reference, i.e.:

- Perceived usefulness
- Perceived ease of use
- Perceived costs
- Perceived mobility

5.3.1 Perceived usefulness

Perceived usefulness is representative of all those factors, which demonstrate themselves as benefits and which will incentivise the use of the service (product). In light of this study it refers to all those factors, which serve to encourage the target user to adopt cellphone banking.

5.3.1.1 Convenience

The field research revealed convenience as the most frequently referred to benefit. Convenience was relative to the ability to do banking on the client's terms, i.e. when, how and where he / she wants to. An important element, which was raised in all groups, was the ability to do banking irrespective of the place

or time, thus effectively defeating the hurdle of out-of-scope service hours. Herewith a few statements made from participants to substantiate:

"You don't have to go to the bank, but you can do all your banking wherever you are. So your bank it's in your pocket. You just use your phone."

"I use my cellphone a lot, and sometimes I am never near any recharge outlets. Now I can buy airtime from anywhere and anytime."

"because they (referring to taxi drivers) don't have time to go to the banks, they work Monday to Monday. They can pay their accounts because it is easy and convenient."

(Appendix G)

It can therefore be deemed that this target market has a high regard for the convenience factor brought on by this service / product, i.e. cellphone banking (supported by a Maestro branded debit card).

5.3.1.2 Personal safety

The field research revealed personal safety as a serious concern in the everyday life of an emerging consumer. Especially seen in the light of South Africa's high crime rates, having less need to carry unnecessary cash presented itself as a definite benefit. Consider the following statements made:

"You don't have to carry cash and this reduces the chance of being robbed."

"No cash thus much safer".

"and safety as well. If you walk into a bank, you might not arrive home with that cash."

"But since I fell into this Wizzit stuff, I don't have to carry money or withdraw. The money is accessible (through cellphone based transacting)."

"They (referring to senior citizens) can take the card when they go shopping and not have to carry cash."

(Appendix G)

To contextualise the last statement, consider the following: Senior citizens, by the nature of their physical frailty and inability to launch a counter attack, are soft targets for crime. As an integral part of the cellphone banking package, Wizzit also includes a linked Maestro branded debit card. This debit card is

viewed with much appreciation, as its added value enhances and supports the Wizzit cellphone banking offering. This is particularly true for senior citizens. They can use this card as a means to reduce the need to carry excessive cash with them.

The discussion groups revealed that a common situation is as follows:

- A benefactor, most often a family member, who lives remotely, makes an electronic deposit into the account, (e.g. R500) via a transfer (often Wizzit-to-Wizzit in nature).
- The benefactor will usually contact the beneficiary by cellphone to inform him / her of the availability of the funds in their account. (Please note: Instantaneous notifications of the said transaction are sent to both parties.)
- The beneficiary is now able to access the funds. This senior citizen, who values the benefit of his / her debit card being accepted at PoS terminals, goes to do his / her regular grocery shopping at the nearby retailer (often this is either a Shoprite-Checkers or Pick-n-Pay).
- Once ready, he / she progresses to the till point with his / her goods (e.g. value R400), the senior citizen then also requests a cash back of the remaining R100.

5.3.1.3 Status enhancement

The field research revealed that this target market does not want to be treated differently simply because they are less affluent. The following statements serve to substantiate this conclusion:

"One thing I so like about it is that there is no difference between me, a student or the CEO of Telkom if we are Wizzit account holders. We get the same card, we pay the same charges, everything is the same".

"It shouldn't adopt preferential treatment. There should be no difference between a student and a doctor".

(Appendix G)

In addition, the field work also found that members of this target market have an appreciation for the manner in which this (new) introduction (i.e. cellphone

banking) is projecting positively on their social image, to raise their standing and status within their circle of influence so to speak.

Consider the following statements made by participants:

"When I went home for a family funeral, they needed to phone but realised they had no airtime, I utilised Wizzit to get them some and everyone was surprised by it. I showed them my card and everyone wanted it".

"Sometimes it feels good when you swipe your card and people say wow, are you a criminal (said in admiration)? When the transaction goes through, they ask what is it. And you start telling them about it, which is good because you came up with something which is different".

"If you have this card they wonder where you work".

"(M:) What kind of people use Wizzit account? (R:) People who like the easy life, who are stress free".

(Appendix G)

Some alternative banking products currently available to this market, e.g. Mzansi, are viewed as pro-poor. Participants' perceptions reflect that, in their view Mzansi does not portray a sense of ambition and aspiration. Thus, by association, this implies that those who Mzansi attracts, may also lack aspiration. (Also see Table 5-2 on p83, which presents the result of a personification exercise on both Mzansi and Wizzit.)

In contrast, cellphone banking is viewed as a very tangible way to 'fortify' the individual's earnestness in (and achievement of) enhancing his / her social status (also see section 5.3.1.4).

5.3.1.4 Transaction type and processing format

Participants indicated an appreciation for the 'cool and techno-savvy' transaction processing method of cellphone banking. The fun element of 'being future minded and with the times' brought on not only excitement but also reflected positively on the target user, i.e. it enhanced their status within their own circles. Participants related how colleagues, friends and family members

are impressed to learn that they (as the target users) are so 'advanced in their ways' (also see section 5.3.1.3).

The most popular and frequently mentioned transactions² are:

- Purchase of airtime (also discussed in section 5.6.2).
- Balance enquiries. (This may be ascribed to its function of providing a comfort of knowing the money is safe.)
- Debit card use. This includes both ATM and PoS transactions, i.e. in-store purchases.
- Person to person transfers. Both Wizzit-to-Wizzit transfers as well as Wizzit-to-Another transfers are especially well liked. However, the latter are slightly less favoured due to a delay in progressing interbank transactions.

It is evident that there is a strong demand for cash within this target market. This is despite the personal risks so closely interrelated with cash. (See section 5.3.1.2 for a related discussion.)

Therefore, the accompanying Maestro branded debit card is viewed as a critical and integral element of this (new) service, i.e. cellphone banking, as it facilitates the flow of physical cash, e.g. by aiding deposit taking and cash withdrawal.

In closing, by nature of its electronic format, cellphone banking is viewed as an "intangible" service. The practice of consistent and frequent updates (via SMS notifications) on all transaction processing goes a long way to establish and enhance trust in cellphone banking per se. This directly addresses the concern for a 'trail of proof', by which the validity of transactions can be affirmed and traced, should there be a need to follow up with an enquiry.

5.3.2 Perceived ease of use

Perceived ease of use gives an indication of the cognitive effort needed to learn and to effectively use the technology. It corresponds to the internal factor of skill. It is also closely related to the user's self-efficacy. Perceived ease of use

² Taken from transcripts, which is available on request.

is directly related to the degree to which the target user believes that using the service (product) will be 'effortless', and that the target user believes he / she is (or will be) able to competently effect the desired behaviour. In light of this study, those factors, which bear influence on the effort to adopt cellphone banking is reflected in this section as perceived ease of use.

5.3.2.1 Leveraging relationship advantages

Participants reported that Wizzkids are central to how they perceive the ease of use of cellphone banking. As Wizzkids were familiar persons, with whom they had a prior relationship, they felt at ease to ask for guidance and assistance in the adoption process.

Leveraging established and trusted personal relationships has been the core element of the approach in which cellphone banking has been introduced by Wizzit. In doing so, the 'human element' has been harnessed in alleviating, to some degree, the techno-phobia and anxiety, which may exist towards cellphone banking as a (potentially) unfamiliar technology enabled service, which may appear daunting. In this regard, the 'human element' contributes much to aid and accelerate the potential adoption of cellphone banking.

To conclude, Wizzkids and other more experienced users (clients) play a very important role in enhancing the adoption of cellphone banking. The fact that they (as role models) have endorsed the product for their own use serves as a testimony that the product is 'authentic'. And more importantly, the positive behaviour modelling they exude serves as encouragement to lesser experienced users.

5.3.2.2 Familiarity and comfort with cellphone

From the focus group discussions it is clear that the target user must have a minimum personal comfort level using a cellphone. Previous experience (e.g. ability to converse by SMS) was highlighted and stressed as important by participants. Consider the following statement:

"The speed that you have to use when you are using a cellphone."

(Appendix G)

To conclude, cellphone banking hinges very much on the target market having a basic comfort level with the underlying technology. However, the cellphone is not a new phenomenon to this market, as is evident by the large number of pre-paid accounts actively used within this target market. This target market is functionally literate as far as cellphone use per se, not only in making and receiving calls but also in conversing by SMS.

5.3.2.3 Bridging the illiteracy gap

As proven in everyday life, there is a distinct difference between having formal schooling (read being fully literate) and being 'street smart' (read being self sufficient in managing one's own affairs).

This target market is well known to be (academically) illiterate, however, being street smart in using the cellphone, which they are already familiar with, this target market feels confident in using the cellphone. Therefore, this target market is functionally literate as far as cellphone use per se (also see section 5.3.2.2). Thus, the cellphone by extension presents a user friendly and personal means of access.

The fact that the Maestro branded debit card is an integral element of the cellphone banking package, further enhances the ease of use. Specifically with fully illiterate people, the supporting Maestro branded debit card becomes an important element of the whole product, influencing adoption. The card goes a long way to address the literacy problem, e.g. completing forms when making manual deposits (withdrawals) into (and from) the account. Consider a few statements made:

"When they (the illiterate) go to their Post Office they don't have to fill any forms. They just give the cashiers their card and that's all."

"you just give the Wizzit card".

(Appendix G)

To conclude, the supporting debit card is an important element of the whole product. It allows the target user to have access to his / her personal account, even though this user may not be literate.

Next, the manner in which personal and open communication on transaction processing and updates are facilitated, by means of SMS notifications, invoked much appreciation. See some participants' statements for illustration:

"Well they'll send an SMS in your language. Zulu, Sotho, Xhosa, you choose".

"Anything happen at your bank, you get an SMS".

(Appendix G)

As is clear from the above, from a client viewpoint, participants reported that being served in their own preferred language served to alleviate strain and effort. The service of the call centre was also viewed as convenient³. Refer to these statements made:

"They can also get help from the phone Wizzit".

"But as long as they can talk, they can talk to Wizzit. They can talk to a consultant".

"In their own language, they can talk, they can hear".

"And all these people assisting speak their own language".

(Appendix G)

To conclude, attaining assistance is easy and user friendly in that the target user is assisted in his / her mother tongue.

5.3.2.4 Value of partners – more points of presence

³ Some Wizzkids raised operational concerns pertaining to the effective management of the call centre, e.g. service hours need to be extended further, consistent service standards. In view of the scope of this study, such issues have not been included.

(Please note, as Wizzit specialises in cellphone banking as their main business operation, any reference to Wizzit is deemed to refer to a cellphone banking service provider per se.)

The field research revealed brand trust as being very important. As a new operation, Wizzit needed to address this concern. Wizzit⁴ has partnership agreements with ASBA and SA Post Office in terms of these partners performing deposit-taking functions. In particular, Wizzit's relationship with the SA Post Office serves it well. Post Office has an extensive national footprint, with a presence in even the smallest rural town. Especially in the rural areas, the population view Postbank as their first choice for banking (FinScope, 2003). They are familiar with this brand and trust it. Here is a statement from a participant to illustrate:

"Yes, my mother can not be able to go to ABSA. Postbank is better because she can manage to go to smaller villages and access her funds through the Post Office."

(Appendix G)

Especially in the rural areas the populace have a high regard for traditional brands (e.g. Post Office, Postbank).

To conclude, although cellphone banking by its very nature eradicates much of the need for physical branch outlets, customers place value on the freedom to choose the service point based on his / her specific needs and / or desires.

Further implication of these partnerships will be discussed in greater detail in section 5.6.3.

5.3.3 Perceived costs

Perceived cost is understood as a kind of effort and 'sacrifice' to obtain the right to access and use the service (product). It considers not only direct monetary costs, but also non-monetary costs such as risks and opportunity costs.

⁴ Wizzit is in essence a virtual bank, and thus has no retail outlets of their own.

5.3.3.1 Out-of-pocket expenses

The fact that a standard cellphone is sufficient to effect transactions was perceived as an advantage. Participants were innovative in even nullifying this minimum resource criterion. Consider the following statement as substantiation:

"Even if you don't have a cellphone you can buy a SIM card and use somebody else's cellphone".

(Appendix G)

In addition, the once-off cost to purchase the starter pack (R39.99) is deemed fair and acceptable. Clients do not seem to question the justification thereof. Much emphasis was placed on the added cost savings as no travelling is now required, thus translating in a saved opportunity cost, both measured in time as well as money. The following statements illustrate this well:

"You save money for transport and it saves your time as well, because you can use it even if you're at home."

"The nice thing about this is that I am originally from the Eastern Cape and also my parents still live there. It means we will also save time, for example some parts of the Eastern Cape have no banks and those people have to go to the Post Office but now they won't have to go to the Post Office or waste money using the taxis".

(Appendix G)

Only two cost related concerns were raised. The first pertained to the need for active airtime to be available on the target user's cellphone. This concern was raised in all sessions. Herewith some statements for illustration:

"If you don't have units you can't get to the money even if you have it".

"I need to make an urgent call to my friend, but I can't because I've got no airtime at all. I wouldn't be able to buy airtime. Why? Because I don't have that R1 to make that transaction so I can buy the airtime".

"However if you don't have any airtime in your phone it is a problem".

"But there is a problem when you run out of cash because you cannot put your money back to the cellphone. So you need to disconnect".

(Appendix G)

The second concern pertained to the costs to contact the cell centre when the call was initiated by the client. In general, Wizzit clients only have cellphones. This brought about a concern as the costs to call the call centre could be high, depending on the duration of the call.

"Whilst with Wizzit you have to use the cellphone and your airtime gets exhausted and sometimes the problem has not been rectified by that time".

(Appendix G)

Although the client exuded much appreciation for the benefit of interacting with the call centre, this costs (when such interaction was initiated by the client by means of their cellphone) may outweigh the related benefits discussed, and will require serious consideration.

In conclusion, the target user, in general, has access to a cellphone, be it his / her own, or temporarily borrowed. Thus, the minimum criterion does not present an insurmountable obstacle.

However, the two concerns (discussed above) highlight that the target user must be a well disciplined individual, particularly in managing his / his available airtime. In turn, the saving gained in terms of travel expenses no longer required, presents a fair counter bonus.

5.3.3.2 Banking charges

(Please note, as Wizzit specialises in cellphone banking as their main business operation, any reference to Wizzit is deemed to refer to a cellphone banking service provider per se.)

High banking charges leveraged by the financial services industry have long been a bone of contention, more so for this target market as it directly relates to the affordability of an account. Participants perceived cellphone banking to present a cheaper alternative. Herewith some statements made by participants:

"But with Wizzit the cost is lower".

"Its finance charges are lower than those of banks".

"You also save on costs. It costs you less".

"Wizzit costs less".

(Appendix G)

However, the field research revealed a peculiar dilemma: What was extremely interesting is that most participants were 'ignorant' (uninformed) about the real and true cost of bank charges in general. Although they affirmed that traditional bank charges were high, they were not well conversant on the exact fees payable for the various transaction types. Herewith a statement to substantiate:

"(M:) Okay, let's go back to when you withdraw money from the ATM. You withdraw R500, how much do you pay for that? Because there are charges for withdrawing that R500. (R:) I don't. (R:) I don't have a clue".

(Appendix G)

In some instances participants appeared to be nonchalant about banking charges. See statements below as illustration:

"(M:) Let us be serious do you ever think of your bank charges? (R:) No. (R:) No".

"Personally I don't check charges".

(Appendix G)

In conclusion, although no general assumption can be made on the abovementioned statements, it does raise an interesting concern: Is affordability the most critical issue? What weight must be allocated to its in structuring the appropriate value proposition?

5.3.4 Perceived mobility

Perceived mobility is understood as a general service condition and relates to the benefit of having accessibility to the proposed service (product). In this study this refers to the means by which access is gained to the technological infrastructure needed for cellphone banking, i.e. access to the cellular network.

5.3.4.1 Proximity

The field research revealed two dimensions of proximity, i.e. firstly, proximity to a physical bank and how Wizzit turns this dilemma around, and secondly proximity to a cellphone.

The first dimension is clearly illustrated in the following statement:

"Well our company is very big and we have a lot of people working there. The banks are far away from us. And, with Wizzit they don't have to go the bank".

(Appendix G)

The latter dimension related to perceived resources. Forthcoming from discussions, participations revealed creative means to overcome this (seeming) obstacle. Refer to a participant's statement:

"Even if you don't have a cell phone you can buy a SIM card and use somebody else's cell phone".

(Appendix G)

Cellphone take-up in South Africa has far exceeded the original estimates. This is indicative of the real value-add wireless communication brought to a target market, which is mostly mobile as most black South Africans travel to a workplace remote from their residence. Cellphone banking now further extends this access to not only communications per se but also banking, as the same instrument is used in both instances.

5.4 SUMMARY OF CAM'S KEY DIMENSIONS

Section 5.3 has been devoted to discuss the study's first objective, perceived acceptance of cellphone banking, in the context of the field research. Herewith a summary of those key findings as presented using the CAM (3.3.1) as framework.

Table 5-1: Analysis of observed user perceptions using CAM as framework

		BENEFITS	EFFORT
Product / Service Features		PERCEIVED USEFULNESS	PERCEIVED EASE OF USE
		<ul style="list-style-type: none"> ✓ Convenience value ✓ Not only limited to traditional banking hours ✓ Personal safety ✓ Status enhancement 	<ul style="list-style-type: none"> ✓ Leverages the relationship advantage to boost self-efficacy of the individual ✓ Familiarity and comfort with cellphone ✓ Ability to acquire customer service in own preferred language ✓ Accompanying debit card bridges the illiteracy gap ✓ Value of partners
General Conditions of Service		PERCEIVED MOBILITY	PERCEIVED COSTS
		<ul style="list-style-type: none"> ✓ Always within easy reach of the client (only limited to the availability of GSM network connectivity) 	<ul style="list-style-type: none"> ✓ No unnecessary out-of-pocket expenses ✓ Saving in opportunity cost (e.g. travel cost) ✓ Risk of insufficient funds (airtime availability) ✓ Lower fees

5.5 CUSTOMER READINESS AND RECEPTIVENESS

Prior to introducing a new service (product), it is sensible and business wise to investigate if the proposed market is receptive. It is even more critical when the intended service has an underlying technological nature, such as cellphone banking has. This section will review the state of readiness of this target market, based on the perception of participants, as these were raised during the field work.

5.5.1 Meet the new kid on the block

(Please note, as Wizzit specialises in cellphone banking as their main business operation, any reference to Wizzit is deemed to refer to a cellphone banking service provider per se.)

Trust is a critical element for any financial service. To illustrate, consider this concern raised by a participant:

“Others say if we put money in this bank what if they run away with our money, what will we do?”

(Appendix G)

Therefore it was important to gauge the target market’s perception of Wizzit per se. Hence, an element of the focus group discussion centred on how the target market perceives Wizzit. The method of investigation of the said perceptions was done by means of a personification of both the Mzansi brand (read a classic banking service provider) and Wizzit brand (read cellphone banking service provider). Table 5-2 presents a summary thereof.

Table 5-2: Comparison of Mzansi and Wizzit personification

Dimension	Mzansi	Wizzit
Gender	Male	Unisex (but predominantly male)
Age	Late 40s	18 – 35 years
Car	A Mercedes Benz, albeit an older model	A respectable car, not too luxurious but within the yuppie class
Place of residence	Lives in Diepkloof extensions / has his own farm	Townhouse / flat (very diverse opinions range: Sandton versus Pietersburg)
Type of personality	Someone who is helpful Someone who wears a Brentwood (indicative on a older generation)	Very outgoing, energetic and dignified individual
Station in life	Either retired or close to it	Salary is average, ample to afford some luxuries, e.g. cellphone and car
Most distinctive traits	<ul style="list-style-type: none"> • Mzansi looks like a <i>pantsula</i> • A comrade because of the name, Mzansi • Made for people who are unemployed • Prejudice 	<ul style="list-style-type: none"> • Something like <i>Mokaba</i> • Likes being with people and helping them • Hardworking and ambitious

Source: Fieldwork transcripts, 2005⁵

The name “Mzansi” is itself rich in meaning. It is derived from the Zulu noun for a citizen of South Africa. It conjures sentiments of national pride and a sense of

⁵ Available on request.

belonging. The reference made to *partsula* can be understood as follows: As a recognition for being smart and streetwise, always in neat attire, but with a very subtle yet distinct air of being from the township. (Note: This reference does not serve as an insult, but serves to highlight the roots of the individual.)

On probing, participants likened Wizzit to:

“crazy, not madness, but something like (Peter) Mokaba.”

(Appendix G)

Mokaba was the ANC Youth League president. He commanded great respect as a no-nonsense person, who was frank and honest, but chose to address issues in a direct and non-confrontational manner. Participants also made reference to Wizzit as:

“He is young but if you look at him, it is with admiration because he has achieved so much at such a young age.”

(Appendix G)

Gathering from clients banking habits and behavioural patterns shared during the discussions, the Wizzit way of banking (i.e. cellphone banking) is viewed as a new but upcoming way of banking. Clients are eager to engage in airtime purchases as well as Wizzit-to-Wizzit transfers. It is important to note that some conservative clients are still cautious to do substantial (large R-value) transactions, which may have long term effects. One can relate this to a general phased acceptance approach.

Clients will only review this caution once they feel Wizzit has proven itself as reliable and ‘in the game’ for the long term. Clients claim that they use Wizzit (read cellphone banking) in a step-by-step approach, using it more as their trust is enhanced. Consider the following statements made during the focus group discussions:

“I am giving it a chance”

“I want to see how it will progress”

“Bulk of my money remains in my trusted accounts.”

"I choose not to use it for all, I choose just some applications that I think will work for me now. Might change my mind later."

(Appendix G)

In closing, considering all the above it is reasonable to believe that the concept of cellphone banking has been accepted within this target market. Its merits (e.g. convenience, cost saving and positive reflection on the target user) are esteemed. However, caution must be taken as longstanding habits do not change overnight. A clear warning is signalled that the change-over will be progressive.

5.5.2 Hurdle of illiteracy

During the focus group discussions participants reported an increased effectiveness of illiterate people as they used Wizzit. Here the Maestro branded debit card brings immeasurable benefit to the client, enabling him to transact without fear that his lack of literacy will be an insurmountable stumbling block. An illiterate person can ask someone to check his balance and they can phone the call centre for help. In addition, they can ask Wizzkids for help. All these people providing assistance do so in the target user's own language (Appendix G).

Also see section 5.3.2.2 as well as section 5.3.2.3

5.6 MARKETING AND COMMUNICATION

Marketing plays an extremely crucial role in any business. So, special attention must be afforded to addressing the proposed target's market's concerns regarding perceived risks. This section considers those factors relating to this important area and which have been raised during the focus group discussions.

5.6.1 One-to-one marketing

The field research emphasised that Wizzit's one-to-one marketing approach is perceived as the most effective approach, with the personal creditability of the Wizzkid noted as the crucial element! Refer to the statements listed below to substantiate:

"Yes, people don't buy the product, they buy you."

"I agree if they know you, they will buy you."

(Appendix G)

The field research also revealed open and personal attention and communication as the most effective communication approach. The following statements have reference:

"What I also like about Wizzit is that if you have lost your card you don't have to go through to them (bank), instead they come to you."

"He'll (Wizzkid) will come and explain everything, from bank details to bank charges etcetera. In your own language."

(Appendix G)

From the aforementioned it is clear that this market responds well to the manner in which Wizzit (as the cellphone banking service provider) is focusing on first and foremost winning their trust. This is done by leveraging the already established personal relationships and conversing in the client's language of preference as well as taking time to meet with the client on his / her terms.

5.6.2 Trialability of service

The field research also stressed the crucial importance of trialability through live, real-time demonstration. Participants all highlighted that the most efficient and effective way to demonstrate the effective benefit of the mobile Wizzit transaction channel is through buying cellphone airtime.

This is based on three principles:

- Cellphone airtime is a sought after product, serving a real (and 'felt') need for this target market (The majority of cellphone users in this market segment are pre-paid clients).
- This transaction is instantaneous.
- It enables the recharging of airtime irrespective of the brand of the underlying service provider (e.g. Vodacom; MTN or Cell C).

(Appendix G)

From the aforementioned, trialability serves an important role in that the client is 'convinced' by demonstration (and in some cases also testing the product himself / herself) that cellphone banking is in fact performing in the way it proclaims to perform.

5.6.3 The value of brand recognition

By its nature cellphone banking is an 'intangible' service and thus more 'abstract'. Also, as cellphone banking is a relatively new market introduction, it is fair to assume that in general terms, human nature therefore perceives it as more risky. The value of brand recognition lies in the fact that the client takes comfort in knowing that the service provider is reputable and will not just disappear overnight. In the context of this study, it is very interesting that brand preference extended to include that of key partners. In Wizzit's case, by virtue of it being a 'virtual bank' with very limited physical outlets, the alliance with SA Post Office as well as ABSA, allows Wizzit clientele to approach any of the physical service points of the said partners as well. It is thus clear that both these two entities serve as an extension of Wizzit (as a cellphone banking service provider), aiding the adoption process. Herewith statements from participants to substantiate:

"Postbank and Absa are his friends".

"MasterCard (Maestro) gives it a bit of weight."

(Appendix G)

Also see section 5.3.2.4.

5.7 POTENTIAL FOR DISRUPTING THE BANKING INDUSTRY

In the context of this study, cellphone banking has been reviewed as an alternative means of banking, not just as an additional channel, as provided by a classic bank, extending their existing service portfolio. As Wizzit specialises in cellphone banking as their main business operation, any reference to Wizzit is deemed to refer to a cellphone banking service provider per se. Therefore the concept of a virtual bank comes to mind.

Gaining support for the concept of virtual banking is a critical success factor to Wizzit's future growth (as a cellphone banking service provider). It was therefore pertinent that the field study thoroughly probed the target market's readiness to embrace virtual banking with both its benefits and accompanying limitations. Discussions with participants revealed that they had an appreciation of the concept of virtual banking, as is evident from this dialogue:

"(M:) Do you think that there are any benefits for you for Wizzit not to have any branches? (R:) That is why their costs are too low".

(Appendix G)

However, in general, participants raised caution that this target market will need time to adjust and fully embrace the full implications of virtual banking. The following statement aptly illustrates this:

"the market that Wizzit is targeting is going to take time to understand".

(Appendix G)

Discussions in focus groups requested participants to pre-empt Wizzit's future, i.e. Would Wizzit continue to be in operation? If yes, what would be its extent? (Please note, Wizzit specialises in cellphone banking as their main business operation. This question probes into the participants' perception: Is cellphone banking here to stay, or is it just a passing fad?)

In general, participants were optimistic regarding Wizzit's future. Some individuals (experienced SMMEs themselves) cautioned that the manner in

which Wizzit is managed as a company, would determine this, i.e. good management must be applied on managing costs down and in promoting the brand.

Another fundamental concern was to discover how participants view Wizzit in relation to the other traditional / known banks. The general perception was that Wizzit can be very proud on what has been achieved (through their drive to promote cellphone banking) in the short time span since their launch. The majority not only saw Wizzit still existing in five years but also saw it growing, becoming a real threat for the bigger banks.

In closing, the statement below aptly indicates the high appreciation Wizzit (as a cellphone banking service provider) invoked.

"This is the makoyo"

(Appendix G)

This means (when translated): "This is the real thing, no imitation".

Similar to FedEx, with their pioneering and unmatched service, Wizzit (as a cellphone banking service provider) also inspires an ingenious new phrase, as the statements below highlight:

"Wizz the money"

"You wizz it"

(Appendix G)

In conclusion, the field work revealed that the target market had an appreciation of the concept of virtual banking, however, this target market will need time to adjust and fully embrace the full implications of virtual banking. Hence, clear reference must be made to counterbalance this target market's need for brand visibility within their local communities (i.e. at a disadvantage as a result of limited physical retail outlets) weighted against the resulting benefit of less fixed cost to recover from the client base.

CHAPTER SIX

6 DISCUSSION, CONCLUSIONS & RECOMMENDATIONS

6.1 INTRODUCTION

This chapter is structured as follows:

First, section 6.2 will highlight the relation of this study's participants to Mzansi statistics in comparison.

Next, attention will be given to discuss the research findings in light of the study's aim (1.3) and objectives (1.4), i.e.:

- Section 6.3 will discuss the relevance of the findings in terms of target market's perception of the potential to use cellphone banking.
- Section 6.4 will discuss the relevance of the findings in terms of target market's readiness and receptiveness to embrace cellphone banking.
- Section 6.5 will discuss the relevance of the findings in terms of a marketing and communication approach, to encourage trust to use cellphone banking.
- Section 6.6 will discuss the relevance of the findings in terms of considering the disruptive potential of cellphone banking.

As a penultimate, section 6.7 provides final concluding remarks.

In closing, section 6.8 will highlight inherent weaknesses of this study whilst section 6.9 will set out recommendations for further studies.

6.2 BIOGRAPHICAL PROFILE IN RELATION TO MZANSI

As established in chapter 1, the Mzansi account is (at present) deemed to be the most meaningful frame of reference when discussing the presentment of financial services / products to this target market, i.e. the unbanked and underbanked. The validity of a comparison between Wizzit and Mzansi has also previously been established (4.4.1). It is therefore important to review the biographical profile of this study in the context of similar Mzansi statistics.

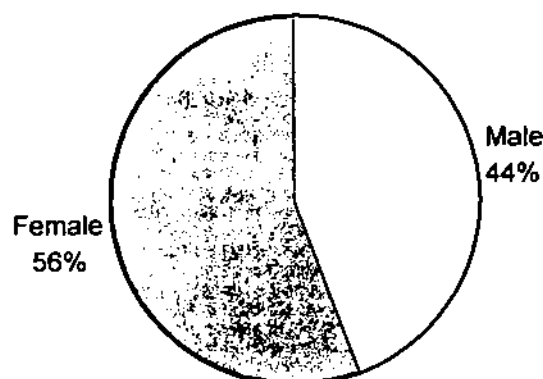
6.2.1 Gender presentation

In the design of the study gender was perceived to have some influence on the adoption of cellphone banking (4.4.1). In this study no significant differences were found in the various responses provided by two gender groups.

In view of Figure 6-1 the following comparison is apposite, i.e.:

- Males – Considered against the Mzansi population, of which 44% are males, the Wizzit sample had 57% as males (both Wizzkids and clientele are accounted for here).
- Females - Considered against the Mzansi population, of which 56% are females, the Wizzit sample had 43% as females (both Wizzkids and clientele are accounted for here).

Figure 6-1: Gender distribution of Mzansi account holders



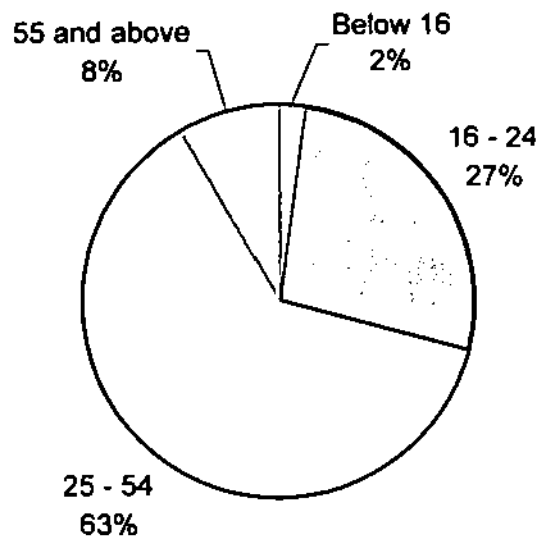
Source: Created from statistics given in Bridge-David, 2005

6.2.2 Age group presentation

In the design of the study age was perceived to have some potential influence on the adoption of cellphone banking (4.4.1). Careful cognisance was taken to include older people, so as to be in line with Mzansi statistics.

Figure 6-2 depicts the current composition of Mzansi account holders based on their age group. The biggest group is clearly the age group twenty-five years old to fifty-four years old.

Figure 6-2: Age group distribution of Mzansi account holders



Source: Created from statistics given in Bridge-David, 2005

For the purpose of this study only two categories were applied as follows:

- Younger than twenty-five years old. This represents an aggregation of the first two age groupings applied for Mzansi statistics.
- Older than twenty-five years old. This represents an aggregation of the last two age groupings applied for Mzansi statistics.

In view of Figure 6-2 the following comparison is apposite, i.e.:

- Younger than twenty-five years old – Considered against the Mzansi population, of which 29% are younger than twenty-five years old, the Wizzit sample had 42% as younger than twenty-five years old.

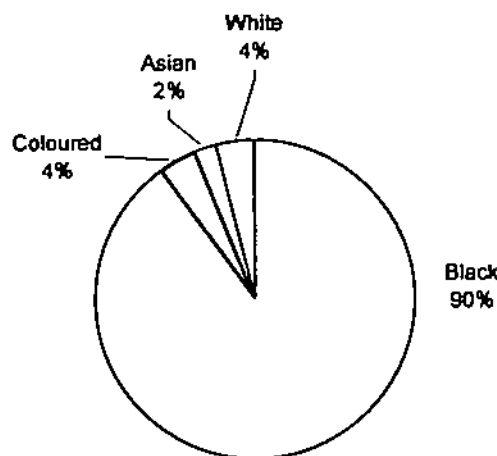
- Older than twenty-five years old - Considered against the Mzansi population, of which 71% are older than twenty-five years old, the Wizzit sample had 58% as older than twenty-five years old.

In this study no significant differences were found in the responses provided by the different age groups.

6.2.3 Race presentation

It is a well known fact that the majority of this target market is black South Africans. From Figure 6-3 it is clear that this race distribution is consistent for the Mzansi account representation as well.

Figure 6-3: Race distribution of Mzansi account holders (Excl. Postbank)



Source: Created from statistics given in Bridge-David, 2005

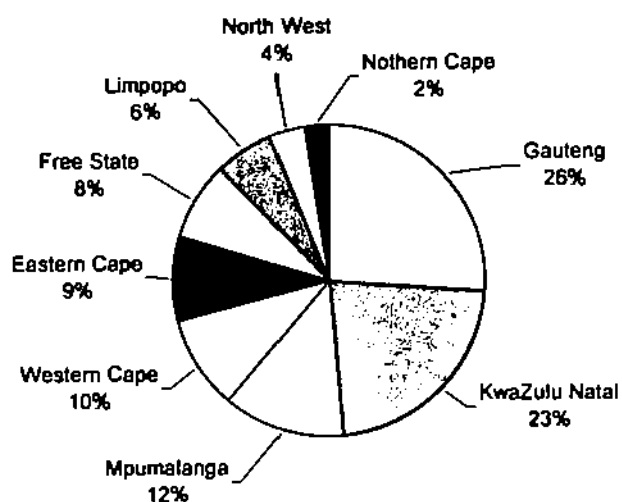
In view of Figure 6-3 the following comparison is apposite, i.e. all participants in this study were black South Africans, thus a 100%.

This selection was done deliberately. Based on the clear traits by which Burges (2002) defines the emerging consumer, this study chose to set its focus on black South African only (1.2). In combination with this, the FinScope sample also places the pre-dominant focus on black South Africans (4.8.1).

6.2.4 Regional presentation

It is well known that Gauteng province is the most economic active region. From Figure 6-4 it is also clear that Gauteng presents the majority Mzansi account holders as well.

Figure 6-4: Regional distribution of Mzansi account holders



Source: Created from statistics given in Bridge-David, 2005

As highlighted in section 1.7, this study only included participants from the Gauteng province.

6.3 THE TARGET MARKET'S PERCEPTION

The research aim of this study is to investigate the viability of providing a mobile access channel (via cellphone) for the purpose of extending access to financial services. The remaining sections to follow will address this aim through the four set objectives (1.4), each in turn.

This section presents conclusions and recommendations based on the findings of the target market's perceptions regarding the potential of using a cellphone (supported by a Maestro branded debit card), as a payment instrument, which represents the first key objective.

6.3.1 Findings

The study's findings are highlighted and discussed in section 5.3, and a summary of this is presented in Table 6-1.

Table 6-1: Summary of observed user perceptions using CAM as framework

		BENEFITS	EFFORT
Product / Service Features		PERCEIVED USEFULNESS	PERCEIVED EASE OF USE
		<ul style="list-style-type: none"> ✓ Convenience value ✓ Not only limited to traditional banking hours ✓ Personal safety ✓ Status enhancement 	<ul style="list-style-type: none"> ✓ Leverages the relationship advantage to boost self-efficacy of the individual ✓ Familiarity and comfort with cellphone ✓ Ability to acquire customer service in own preferred language ✓ Accompanying debit card bridges the illiteracy gap ✓ Value of partners
General Conditions of Service		PERCEIVED MOBILITY	PERCEIVED COSTS
		<ul style="list-style-type: none"> ✓ Always within easy reach of the client (only limited to the availability of GSM network connectivity) 	<ul style="list-style-type: none"> ✓ No unnecessary out-of-pocket expenses ✓ Saving in opportunity cost (e.g. travel cost) ✓ Risk of insufficient funds (airtime availability) ✓ Lower fees

6.3.2 Conclusions

Firstly, it is important to recognise that the target user will have basic beliefs towards cellphone banking based on his / her expectations and attitude, which guide how he / she anticipates the experience to be (2.3; 3.2.1; 3.2.2).

When considering that the target market consists of mostly pre-paid cellphone users, it can be concluded that cellphone banking is highly compatible with their lifestyle (3.2.2.1). This is supported by their previous experience in accessing pre-paid airtime (by means of entering PIN codes) as well as their fluency in

conversing in SMS, which lead to self-efficacy⁶ (3.2.1.3; 3.2.2.2), and this target user is generally comfortable with the basic operations of his / her cellphone (3.2.1.1; 3.2.1.3).

The fun and enjoyment element of cellphone banking (3.2.1.4) serves to counteract the initial anxiety (3.2.1.3). The influence of role models exudes positive social pressure (2.3; 3.2.1.1; 3.2.1.3), and also serves to reduce any initial anxiety considerably.

Perceived ease of use is more important to the less sophisticated (inexperienced) user. It is here where the role of Wizzkids (one-to-one marketing) is the linchpin in the adoption of cellphone banking. These agents, as experienced users, act as guides to new users (2.3.4).

Not only do their actions serve to model the desired behaviour (to be observed by eager onlookers), but also, as respected members of their communities, they exude influence and social pressure (as highlighted above). Wizzkids also prove to present the greatest advantage in terms of enhancing perceived ease of use. By modelling the new behaviour and being available to encourage and support on an ongoing basis, these agents fulfil the critical role of boosting self-efficacy through effecting gentle social pressure (3.2.1.1; 3.2.1.3; 3.2.1.4; 3.2.2.1; 3.2.2.2).

Another key ingredient to Wizzit's (read cellphone banking) take-on is the 'trialability' of the service / product (2.3.4), as it addresses the target user's concerns of perceived risk (3.2.2.1).

From the field research it was evident that the target market may be 'ignorant' regarding the true costs of banking charges. However, irrespective of the validity of the target user's perceptions, his / her view of the cost implications (both direct cost saving in the form of cheaper charges as well as saved opportunity costs, e.g. less travel) play a crucial role as an incentive to adopt

⁶ Cellphone banking use procedures very closely related to those of PIN codes and SMS.

cellphone banking (3.2.2.1). (See Appendix D, E and F listing cost comparisons of the various banking service options aimed at this target market).

By the nature of their life style perceived mobility presents itself as a key advantage of compatibility (3.2.2.1; 3.3.1).

6.3.3 Recommendations

Due to the strong underlying technological nature of the cellphone banking offering, personal instruction and trialability is highly recommended. Thus, continued education is needed to improve the effective adoption of cellphone banking. Ideally, lead user training must be 'hands-on'.

The cost advantage of cellphone banking must be highlighted. To illustrate, a PIN money order (Appendix F) valued at R500 comes at a direct cost of R32.20, which accounts for service and commission fees. This does not even account for the indirect costs (time and cost to travel to the point of service for both the benefactor and the beneficiary).

This is one of the greatest strengths of the current (Wizzit's) approach, i.e. leveraging the human relationships, which already exist amongst the client base and Wizzkids, optimally. Cellphone banking service providers must take serious note of this and likewise leverage such relationships. In doing so, they will strengthen the knock-on effect to self-efficacy by means of behaviour modelling and social pressure.

6.4 CUSTOMER READINESS AND RECEPTIVENESS

6.4.1 Findings

The research findings relating to customer readiness and perceptions have been discussed in full in section 5.5. This section below elaborates on the most pertinent only.

The target market is very receptive to cellphone banking. An increased effectiveness of illiterate people using cellphone banking was reported. Here the Maestro branded debit card brings immeasurable benefit to the client, enabling him / her to transact without fear that his / her literacy will be an insurmountable stumbling block, and thus is compatible with the general user's level of self-efficacy (3.2.1.1; 3.2.1.3).

However, a general belief may exist about charges raised on card usage, i.e. 'interest' charges on retail store purchases, which increases the user's perception of perceived financial cost (3.2.2.2). Some participants associated the Maestro debit card with that of the higher income earners' credit card (MasterCard) and therefore per definition assume 'it is not for them' - also reflecting negatively on compatibility with their way of life (2.3; 3.2.2.1).

Based on this, it is reasonable to conclude that there is a definite need to address this market 'ignorance' to eliminate this 'confusion' by means of effective consumer education, as it can act as a stumbling block and detriment for wider adoption amongst this target market.

6.4.2 Conclusions

The findings in this study have confirmed that the manner of delivering the desired educational results (i.e. how consumer proficiency can best be enhanced in the shortest space of time) hinges on establishing the client's trust in the institution (cellphone banking service provider), the agent (sales person / Wizzkid) as well as the technology used. All these factors are interrelated and work together to influence the target user's perceptions (e.g. to enhance his /

her self-efficacy and to remove perceived risk) to advance the use of this technology enabled product / service (3.2.1.3; 3.2.1.4; 3.2.2.2).

The creditability of both cellphone banking (as a reliable means of transacting itself) as well as that of the provider of cellphone banking (as a service provider entity) play a crucial role in securing the target user's trust and confidence (3.2.1.4; 3.2.2.2).

Due to the sensitive nature of personal financial matters, the target user (client) has a high regard for the confidentiality thereof. The client needs to have some perceived trust that this confidentiality is honoured and will remain safeguarded. Once the client feels 'comfortable', perceived trust is enhanced and there is a greater openness and willingness towards embracing the proposed offering. This relates directly to trust and credibility as discussed above.

6.4.3 Recommendations

To effectively fight poverty (which is the underlying ambition of the FSC), appropriate financial services must provide poorer people a means of accumulating funding (savings or capital), thereby enabling them to have a better management of the risks to which they are exposed. This provides protection from getting stuck in the quicksand of an unplanned disaster and provides a path out of poverty.

Richardson (2005) highlights an equally important and closely related need with the following statement: "there is a massive amount of education required".

The recommendation is therefore for continued consumer education. The target populace must be educated on the importance of financial literacy and the merit of good personal financial management. Specific focus must be given to address misconceptions surrounding the following:

- Confusion of credit card versus debit card – cost implication is seen as 'high interest' as well as comparing transmission products (e.g. PIN money order, see Appendix F) with Wizzit-to-Wizzit transfers -> which might deter users from embracing the active use of the accompanying debit card

- Cost implications of user choices in general (e.g. balancing enquiries via ATM versus cellphone enquiries -> what is the cost trade off and what is the comparative 'value-add').

Finally, financial competence, just like any other competence, is honed and improved by practice. For the best adoption potential, this consumer education must be done on a national level on under the auspice of an umbrella brand, e.g. Mzansi.

6.5 MARKETING AND COMMUNICATION

6.5.1 Findings

The research findings relating to the target market's perceptions of which marketing and communication approach are most desired, have been discussed in full in section 5.6. This section below elaborates on the most pertinent only.

The field research emphasised that the one-to-one marketing approach is optimal for affective adoption. This kind of personalised marketing (Wizzkids as well as SMS notifications) is customer centric and the underlying technology enabled infrastructure supporting it will deliver cost advantages for the service provider in the longer term.

The field research also stressed the crucial importance of trialability through live, real-time demonstration, to alleviate anxiety (3.2.1.3) and address concerns of perceived risk (3.2.2.1).

It is pertinent to identify and understand which transaction types represent the most urgent and typical need as these transactions will act as 'ice-breakers' giving greater consumer confidence as they learn these quicker, based on their own underlying intrinsic motivation (3.2.1.3).

Wizzit-to-Wizzit (i.e transmission) transfers, account payments and pre-paid service purchase (e.g. airtime, electricity) are especially well suited to aid wider adoption. It is perceived that this can be attributed to the instantaneous nature thereof.

For example, the Wizzit-to-Wizzit transfer serves the need for transmissions⁷ very well. It yields not only a time benefit (money is available immediately), but also a cost saving for the client (and his beneficiary). Both the benefactor and the beneficiary no long need to travel to a transmission service point (e.g. a Post Office, see Appendix F) and no additional commission fees are applicable. (The same argument is also support the purchase of pre-paid services.) Hence, word-of-mouth marketing is naturally used within the target market to 'spread the good news' of this (new) service, with all its related benefits, creating good market awareness.

6.5.2 Conclusions

Scepticism should be expected when the target populace is not familiar with the proposed brand. This negative attitude is because of a lack prior knowledge or awareness, leading to lack of perceived credibility (3.2.2.2).

6.5.3 Recommendations

The manner in which the cellphone banking service provider leverages brand recognition of other established entities (e.g. SA Post Office and the classic banks) will add a sense of stability and serve to endorse their yet unfamiliar brand. It is the recommendation of this study that consistent and deliberate focus must be afforded to this crucial subject (i.e. brand promotion).

Behavioural intent does not necessarily lead to actual behaviour. Although all participants clearly understood and agreed with the logic as well as the benefits of maintaining an e-financial life style, e.g. all transactions effected by cellphone (where possible), they were 'caught up' in habitual routine formed over many

⁷ The greater majority of this populace sends money to relatives / relatives resident in remote rural areas on a regular basis.

years. Thus, change is a given, however, it may be gradual over a longer period, and a recommendation is made to apply a long term view with a phase-per-phase strategy.

It is therefore recommended that agreements of co-operation amongst the various financial institutions be reached. Such co-operation (e.g. for shared consumer education and of extending physical presence, should the client choose to revert back to a 'traditional mode of interaction'), will go a very long way to instil confidence in a way of 'borrowing' peace of mind.

The following are suggested additional methods of marketing the offering to the target population (as a means of promotion):

- Industrial theatres and road shows.
- Radio talks shows (especially those which specially focus on vernacular languages as the primary medium).
- Local newspapers (like SUN, Sowetan).
- Billboards posted within the local areas where the target users find themselves.

Utilise PiT kiosks and CPO centres (already existing national infrastructure, see chapter 1) as central Internet based client care points (Scanning of forms, e-filing, sending of faxes and web presence on the local directory as a marketing channel.)

A call centre, servicing the target user in his language of preference, is highly recommended. A further recommendation is to have a method of picking up "please call me" notifications sent by client and then the call centre calls the client back. In addition, automatically identify client base by means of the cellphone number as the unique identifier and so reduce call queuing time. Alternatively, a toll-free number will also make the call centre more accessible.

Also, keep in constant touch with client base via SMS. Not only is it a good marketing channel for this target market, it is also perceived as a 'value-add' (uplift the status of the client, where the bank takes 'a personal interest in me, as an individual').

6.6 POTENTIAL FOR DISRUPTING THE BANKING INDUSTRY

6.6.1 Findings

The research findings relating to the disruptive potential of cellphone banking in terms of the South African banking industry, have been discussed in full in section 5.7. This section below elaborates on the most pertinent only.

Wizzit (as a cellphone banking service provider) has experienced phenomenal growth. In fact, for a period management was forced to make a tough decision not take on more new clients as the quick pace of the market take-up was stretching their capacity.

6.6.2 Conclusions

As Wizzit is a virtual bank, which employs a low-margin high-volume business model, by virtue, this implies that Wizzit's chosen business model stands in contrast to that which is typically embraced by a traditional bank. Also, from examining Wizzit operations, it is clear that the principles of Christensen's disruptive innovation theory (Christensen, 1997) are applied (3.3.2).

This is also clearly illustrated in this statement from Richardson (2005):

"The big banks have their own set of problems and in their own words, 'the revenue model does not work'. In addition, they have the issue of cannibalisation and high cost branches being overrun by 'low value customers and transactions'".

Scepticism around the Mzansi initiative, as the preferred mechanism by which to serve the lower income target market, may be warranted. According to a recent press release, the Mzansi account is not yet profitable. Estimates indicate that at least 700 000 clients must be retained (and be active account holders) over the longer term, to enable this initiative to be sustainable (Gunnion, 2005). This further strengthens beliefs that the industry needs to be transformed (Hawkins, 2005b).

The remainder of this section will be dedicated to highlight how recent (and imminent) legislation, e.g. Dedicated Banks Bill, is adding to the potential disruption of the traditional banking industry.

Access to the National Payment System (NPS) is a critical success factor in effecting of the objective of the FSC. The architecture of the South African payments infrastructure is deemed 'closed' with only a handful players (most notably the big banks) effectively controlling Bankserv. Bankserv is the critical component as it houses ACB and the vital Saswich infrastructure. This infrastructure allows for interoperable transaction processing, e.g. ATM transactions, funds transfers as well as cheque processing (Melzer & Fulton, 2004).

Access to Bankserv is critical, as it determines not only who can have access to the payment infrastructures but also at what cost. This cost implication to make use of the Bankserv infrastructure is of particular interest. New entrants (like Wizzit) are at a distinct disadvantage, being at the 'mercy' of the Bankserv custodians, i.e. the big traditional banks. Access to the payment infrastructure can thus be viewed as a competitive advantage favouring the existing Bankserv custodians! (Melzer & Fulton, 2004).

However, there are indications that a more 'open architecture' is possible and sought by the proposed Dedicated Banks Bill (DBB). The DBB, made public in November 2004, aims to establish the optimum balance between greater service provision and regulatory control. This will be central to creating opportunities for improving the effectiveness of the financial services industry. It will create new tiers within the commercial banking system, by allowing new types of organisations to apply for limited forms of banking licences. The intention is to allow the formation of new formats of banks, i.e. core and narrow banks. These will operate within a prescribed business space, at a greatly reduced capital requirement. Thus, this bill will be allowing a new class of providers, such as cellphone service providers and retailers, to harness their brands as well as extensive online distribution channels, to compete as retail

savings and transaction banks. These licence types are referred to as tiers 2 and 3 with the DBB (Hawkins, 2005).

This can potentially have a phenomenal effect on the power balance within the financial sector as it would have a distinct impact on the geographical landscape of access (1.1). In return this would have direct cost implications for providing a basic bank account, making it more affordable as existing (mostly) infrastructure will be used in delivering the service. The current market sentiment is that the current profit margins of the traditional banks are high. Needless to say, the effective implementation of the DBB will also have a direct influence on the cost competitiveness of the industry (Hawkins, 2005).

Act 70 of 2002 is another legislative element, which will drive the disruptive effect. This act (referred to as "the Regulation of Interception on Communication and Provision of Communication Related Information Act"), will further strengthen this power shift brought on by DBB. As from 30 November 2005 any purchase of any cellphone or SIM card will require the positive identification of the target user by confirmation of the target user's:

- Full names
- Identity number
- Postal address (Vodacom, 2005)

In the case of the target being a business, the following details will be required:

- An original copy of the business's letterhead
- Business name
- Business address
- Business registration number (of applicable) and also the following information of the person who is the appointed business representative: A photocopy of the representative's identity document, containing his / her photo, full names and identity number as well as his / her postal or residential address (Vodacom, 2005)

In the spirit of Act 70 of 2002, this validation of the target user (to the SIM number) serves to enable a digital identity, leading to up to a scenario where

electronic actions performed under the auspices of this digital identity will be enforceable, addressing the need for non-repudiation.

Cellphone banking aimed at to the lower - and middle-income groups, has a significant potential to disrupt the banking industry. The research postulates that Wizzit will serve (and to an extent has already shown) a strong demonstration effect to ratify this.

6.6.3 Recommendations

Virtual banking is a two edged sword. It has a tremendous positive impact in keeping the cost structure 'light', guarding against the burden to recover excessive overhead costs from the client. However, in turn it places more emphasis on creative marketing to ensure local brand trust. Brand trust (in terms of financial services) has been proven to be very important with this target market (FinScope, 2003). Conversely, the cellphone banking service provider must be prudent to keep cost investment to a minimum until the service (product) is well established and its future in the market 'secured'.

As with any new technology enabled service (product) cellphone banking will be progressively adopted by the population at large (See the technology adoption process in section 2.2).

Taking cognisance of the disruptive innovation theory (Christensen, 1997; Christensen et al, 2004), it is essential that the new service (product) will be 'pitched' to a target market, which really values the attributes it presents. Therefore, it is imperative to identify a niche market. This implies finding a clearly defined segment of cluster of users, to who the value proposition of the new service (product) will be acceptable. It further implies that once an awareness of the new service's potential has been created, these niche customers will more easily be persuaded to a purchase decision.

In reviewing the findings of this field research, two niche markets have been identified, i.e. shebeens / taverns and hawkers. These situations present the following conducive elements, i.e:

- Patrons are usually frequent buyers. These existing relationships offer great opportunities to leverage the Wizzkids approach. Thus benefiting from the modelling of the desired behaviour.
- By leveraging the effects of networking, adoption to cellphone banking can be encouraged within these immediate communities. Thus presenting some degree of social pressure.
- An even great motivating factor is that of enhanced personal safety and reducing the need to carry excessive / unnecessary cash. In these niche markets excessive cash renders the merchant a soft target to crime, e.g. robberies.
- In fact, positive benefits will not only accrue to the merchant, the patron will also benefit greatly. This is especially true in the scenario of taverns, where patrons may be particularly vulnerable at their departure. In adopting cellphone banking (e.g. Wizzit-to-Wizzit transfers) as an alternative payments method (i.e. paying for their drinks / refreshments), the need for excessive cash will no longer exist. Thus, the motivating factor for mugging will be removed.

It is recommended that the two identified niche markets be viewed and approached as the beachhead market for cellphone banking.

6.7 FINAL CONCLUDING REMARKS

According to StatsOnline (2005), the percentage of households, having a cellphone available for their regular use increased from 35% in 2002 to 49.6% in 2004. Furthermore, due to the fact that the majority of South Africans have some exposure to cellphones, the high penetration rate of cellphone versus traditional fixed lines is a reflection that the South African population are indeed enthusiastic cellphone users. (FinScope (2004) reports that a mere 19% of the population have a Telkom line at home.)

The findings of this study highlight that a mobile transaction channel is deemed with high regard by the target market. By having an understanding of consumers' adoption capability together with the perceptions and expectations they hold, commercial entities can develop appropriate strategies to best stimulate and change attitudes and therefore have a better advantage for rendering a commercially successful offering.

Often neglected benefits, which the target user views as crucial, are the non-financial benefits. With this study, it has become clear that cellphone banking presents other appealing features, such as entertainment and more importantly a high aspirational value. Very positive feelings and attitudes were radiated which are directly related to being 'with the times' and 'techno-savvy'.

This is in stark contrast with the negative marketing, associated with pro-poor offerings, like the Mzansi offering. Although the Mzansi initiative has made great strides / impact, since it launched October 2004, it has been pitched as pro-poor. Pro-poor marketing campaigns often result in labelling the offering as exclusively intended for the less fortunate, killing any aspirational value of the offering.

Wizzit will (and has already to an extent) serve as a strong demonstration effect that the unbanked and underbanked can be served profitably! Due to their radically different business model and cost structure, their approach can be likened to Christensen's disruptive innovation model. This statement is based on two key criteria, i.e.:

- The cost of delivering the intended services to the target market is greatly reduced.
- However, regardless of this alternative cost approach, Wizzit has taken great care to ensure that its market approach resonates well with its target market. Wizzit's aim is to offer a product of great aspirational value. Being acutely aware of the core truth that no client wants to be the victim of negative differentiation, Wizzit (in their capacity as a cellphone banking service provider) has been exceptionally careful to avoid this pitfall!

It is not proposed that Wizzit (as a cellphone banking service provider) will bring to the market the ultimate offering at its initial introduction. Aligned with the principles popularised by Christensen a critical success factor for harnessing disruptive innovation is to remain flexible and allow the service to evolve and to progressively adapt to the market's reaction and feedback, reflecting the offerings real value proposition!

Mobile commerce has a potential to grow into an important industry. More importantly, within the South African context, it holds the potential to radically disrupt the financial services sector.

In the words of David Cracknell (MicroSave, 2004): "Truly clever technology is technology that answers a need. It is not technology for which a need must be created. The consumer does not require technology – the consumer requires application and services that support his needs and brings ease of use with it. There is a tremendous potential to deliver on these needs through a cellphone, as it is already a device in the hands of the target market."

6.8 INHERENT WEAKNESSES OF THIS STUDY

As was highlighted earlier, Wizzit has only been operational for a few months. Early behavioural patterns are therefore not necessarily predictive of long term behavioural patterns and some results may be skewed with such early research.

Although the sampling frame has been clearly defined, it is pertinent to note that, due to practical concerns experienced at the time of the fieldwork, participants were enlisted in co-operation with Wizzkids, leveraging these trusted relationships, resulting in a convenience sample.

During the discussion processes it became clear that some participants held accounts at other financial institutions in addition to their Wizzit account (e.g. Standard bank, FNB, ABSA, Nedbank, Postbank). Also, as can be expected

Wizzit has also been chosen by individuals who are financially shrewd, based on the advantageous cost structures and innovation payment format it offers. These members are therefore not necessarily from the un- and underbanked market. Hence, some perceptions raised in the focus group discussions can be deemed as those of more sophisticated individuals.

This study only focused on transaction banking, which is only one facet of financial services.

6.9 RECOMMENDATIONS FOR FURTHER RESEARCH

The following recommendations may yield added value for future studies:

- Since Wizzit has only been operational for a very short time span, a longitude study is recommended.
- Additional studies with this focus (the effective deployment of a mobile channel to extend accessibility to financial services) need to be conducted, more so within the emerging consumer market, as defined in section 1.2. Several initiatives, with a similarly strong emphasis on the cellphone as the primary payment tool, have since become prominent in the South African market. The most notable of which is the introduction of MTN Banking as a joint new market introduction by MTN and Standard Bank. In addition, stronger marketing strategies (of the availability of cellphone banking), of which FNB has the most notable promotional drive, is more general of late. It is recommended that this study be duplicated using these respective client bases as the reference group.
- The UK banking giant, Barclays, has acquired a majority shareholding in South Africa's largest retail bank, ABSA. It is not yet clear what prominence ABSA will now afford its cellphone banking offering. Should ABSA choose to make cellphone banking a strong focus, it is recommended that this study be duplicated using this client base as the reference group.
- The supported Maestro debit card has proved to be an integral part of Wizzit's success. This debit card renders numerous added benefits (e.g. ability to do a cash back using the card, ability to make retail purchases

using the card). The recent launch of MTN Banking does not include such a debit card. A study, which focuses on the adoption of a pure cellphone banking service compared to that of a cellphone banking supported by a debit card, is recommended.

- An empirical investigation to evaluate if cellphone banking is disrupting the financial services industry and if so, to what extent.

CHAPTER SEVEN

7 ARTICLE FOR PUBLICATION

This chapter has been bound as a separate booklet as per instructions.

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APPENDIX A: FOCUS GROUP DISCUSSION GUIDE - WIZZKIDS

SECTION A

1) INTRODUCTION AND WARM-UP

Participants enjoy snacks and get comfortable. Moderator does a general introduction on the purpose of the focus group discussion, highlight the importance of open sharing and the need of participant to interact.

SECTION B

2) OBJECTIVE: EXPLORE WIZZKIDS OVERALL EXPERIENCE OF THE CONCEPT

Methodology: Projective technique, "Picturing"

- Target market
- Product / marketing
- Partners
- Usage

COMPILE A PROFILE OF CURRENT AND POTENTIAL CUSTOMERS, AS WELL AS THOSE WHO WOULD NEVER USE THE PRODUCT, ACCORDING TO:

- Current customers
- Potential
- Non potential customers

UNDERSTAND DEMOGRAPHICS INCLUDING WHERE THEY AND THEIR RELATIVES RESIDE

- Psychographics
- Attitude towards technology
- Financial profile / needs
- History – relationship with traditional banks
- Suspicions / fears in terms of finances / banks

3) OBJECTIVE: PRODUCT MARKETING. EXPLORE WHAT MARKETING ANGLE IS CONSIDERED TO BE BEST FOR DIFFERENT PROFILE RESPONDENTS; WHAT PRODUCT BENEFITS ARE EMPHASISED AND WHICH WEAKNESSES GLOSSED OVER

Methodology: Role-play selling situation for different types of potential customers

Describe:

- Overall approach
- Which benefits to emphasise
- Which questions / concerns are pre-empted
- What excites customers
- What confuses customers

Wish list: What would make it easier to sell (Explore in depth)

DETERMINE THE EXTENT TO WHICH WIZZIT EXPANDS (HOW ONE CLIENT ENCOURAGES OTHERS TO ALSO BECOME USERS)

Methodology: Open discussion

- Discuss ripple effect (give examples)
- Wish list to enhance viral growth

OBTAIN FEEDBACK FROM WIZZKIDS ABOUT USAGE OF PRODUCT

- Usage envisaged by potential customers (as expressed when product was explained)
- Awareness of actual usage
- Requests / queries about product usage that Wizzit could not offer
- Discuss queries / comebacks from clients

4) OBJECTIVE: EXPLORE VISIONS FOR THE FUTURE

Methodology: Projective technique, "Picturing"

- Imagine the banking / transactional world in 5 years. Who will be the players? Will Wizzit still operate independently or will it be taken over by another bank? (Explore all options – do not put Wizzkids on a spot to expose themselves if they do not believe in the concept)
- Imagine Wizzit in 5 years' time, when all the hitches / growing pains have been resolved.

Describe the ideal:

- Product applications
- Marketing
- Partners
- Sales force
- Management structure
- Clients

SECTION D

Obtain suitable names of Wizzit clients to attend group discussions. Pay out of incentives and closing

APPENDIX B: FOCUS GROUP DISCUSSION GUIDE - CLIENTS

SECTION A

1) INTRODUCTION AND WARM-UP

Participants enjoy snacks and get comfortable. Moderator does a general introduction on the purpose of the focus group discussion, highlighted the importance of open sharing and the need of participant to interact.

SECTION B

2) DISCUSSION - EACH RESPONDENT TO TELL:

- Month-end behaviour
- How he / she first heard of Wizzit
- What concerns they initially had about Wizzit
- Whether Wizzit lives up to expectations

3) DISCUSS WIZZIT AS A PRODUCT:

- Likes / advantages of product
- Dislikes / disadvantages / concerns
- Reasons for usages / non usage
- Envisaged future usage

4) OBJECTIVE: EXPLORE REACTION TO MARKETING / SALES

Methodology: Open discussion

- Reaction to concept of Wizzkids

5) OBJECTIVE: EXPLORE REACTION TO PRODUCT

Methodology: Open discussion to test reaction to

- Transfers
- Stop / debit orders
- Cash backs / withdrawals (ATM)
- Buy airtime
- Paying accounts
- Retail in-store purchases
- Suggestions for product improvement

6) REACTION TO ASSOCIATION WITH

- Maestro
- Projective technique: Imagine a party of financial institutions in 5 years time. Will Wizzit attend, what will other banks say, personify Wizzit in 5 year's time.

7) OBJECTIVE: EXPLORE POSITIONING OF WIZZIT

Methodology:

- Projective technique: Personify Wizzit and Mzansi
- Projective technique: Role play debate between Wizzit and other banks on who is the best

8) OBJECTIVE: EXPLORE REACTION TO PRICING STRUCTURES

Methodology: Open discussion

- Awareness of cost structure
- Reaction to cost structure
- Comparison of cost structure with other banks

9) OBJECTIVE: EXPLORE REACTION TO "VIRTUAL BANK"

Methodology: Open discussion

- Feelings about having no bricks and mortar
- Perceived advantages of a virtual bank (probe understanding of cost saving)
- Likelihood to get used to the idea

APPENDIX C: THE BROWN, CAJEE, DAVIS & STROEBEL STUDY

Herewith an overview of the framework as set out in the Brown, Cajee, Davis & Stroebel (2003) study.

This study relied heavily on the work done by Tan and Teo (2000) on the adoption of Internet banking:

- **Relative advantage:** the extent to which a person views an innovation as offering an advantage over previous ways of performing the same task.
- **Compatibility:** the degree to which an innovation is viewed as being consistent with the existing values of users.
- **Complexity:** the degree to which an innovation is considered relatively difficult to understand and use.
- **Trialability:** the extent to which users would like to experiment with the innovation prior to committing to its usage.
- **Previous related (Internet) experience:** prior experience of using similar class or type of technology.
- **Banking needs:** the variety of banking products and services required by an individual.
- **Risk:** the perceived sense of risk concerning disclosure of personal and financial information.
- **Self-efficacy:** an individual's self-confidence in his / her ability to perform a behaviour.
- **Facilitating conditions / Government support:** perceived government support of (Internet) commerce.

Internet and mobile banking share some commonalities. However, as previously established, Internet banking is not well suited due to the lack of the underlying infrastructure required nor is a quantitative measurement the best approach to gather data from this target group.

The Brown et al, (2003) study set out the following hypotheses:

- ***H₁ - Relative advantage:*** the greater the perceived relative advantage of using cellphone banking, the more likely it will be adopted.
- ***H₂ - Compatibility:*** the greater the perceived compatibility of cellphone banking with lifestyle, the more likely that it will be adopted.
- ***H₃ - Complexity:*** the higher the degree of complexity of using cellphone banking, the less likely that it will be adopted.
- ***H₄ - Trialability:*** the greater the trialability related to cellphone banking, the more likely that it will be adopted.
- ***H₅ - Previous related (Internet) experience:*** the greater the diversity of previous Internet experience, the more likely that cellphone banking will be adopted.
- ***H₆ - Banking needs:*** the greater the diversity of banking services and products required, the more likely that cellphone banking will be adopted.
- ***H₇ - Risk:*** the greater the perceived risk of using Internet banking, the less likely that it will be adopted.
- ***H₈ - Self-efficacy:*** the greater the self-efficacy of using the cellphone banking, the more likely that it will be adopted.
- ***H₉ - Facilitating conditions / Government support:*** the greater the facilitating conditions for cellphone banking, the more likely that it will be adopted.

Enclosed in the next section is the measurement instrument employed in the study.

"CELL PHONE BANKING: PREDICTORS OF ADOPTION IN SOUTH AFRICA"

EMPIRICAL RESEARCH QUESTIONNAIRE



UNIVERSITY OF CAPE TOWN
FULL-TIME INFORMATION SYSTEMS HONOURS PROGRAMME
2002

If you would like to qualify for entrance into the competition draw, please complete the details below, though doing so is not compulsory. Please then read the instructions on page 2 as to how to complete the questionnaire.
All information supplied will be treated confidentially.
The questionnaire begins on page 2 and consists of 7 pages.

First Names: _____
Surname: _____
Contact telephone number: _____
E-mail address: _____

PLEASE RETURN TO THE PROJECT TEAM:

Zaheda Cejce, Douglas B. Davies and Shaun Stroebel
Cell: 082-730-0772, 082-723-8279, 082-904-3407
Email: z_cejce@hotmail.com, Duvucio@yahoo.com, shaunstroebel@webmail.co.za
Fax: (021) 713-7976

DEFINITIONS

For the purpose of this questionnaire, the following abbreviations have been used:

- SMS = Short Message Service
- WAP = Wireless Application Protocol
- WIG = Wireless Internet Gateway
- FNB = First National Bank
- ATM = Automatic Teller Machine
- Prod. = Product
- Developm. = Development

INSTRUCTIONS

The following instructions may aid you in filling in the questionnaire.

- To select an answer or answers where options are provided, place a ✓ or a ✗ in the space provided.
- Unless otherwise stated, select only one option to answer the questions where options are provided.
- If more than one option can be selected, then "(Please mark all that apply)" will precede these options.
- If an option "Other" is provided and is then selected by you, please fill in the "If Other, please specify: _____" as well.
- Some questions are open-ended i.e. no options are provided for selection. In such cases, fill in the appropriate answer in the space provided.

SECTION A: CELL PHONE

1. Do you have a cell phone?

Yes	No
-----	----

If your answer to question 1 is no, please skip to question 11.

2. How long have you had it for?

Less than 1 year	1-2 years	3-4 years	5-10 years	10+ years
------------------	-----------	-----------	------------	-----------

3. Which network do you use?

Vodacom	MTN	Cell C	Other
---------	-----	--------	-------

If Other, please specify: _____

4. What is the make and model of your cell phone?

5. Which form of cell phone service payment do you use?

Prepaid	1-month contract	12-month contract	24-month contract
---------	------------------	-------------------	-------------------

8. Do you use per-second billing?

Yes	No
-----	----

7. How often do you use your cell phone?

More than once a day	Once a day	A few times a week
Once a week	Seldom	Not at all

8. What do you use your cell phone for? (Please mark all that apply)

To receive calls	To make calls	SMS	Accessing Internet
Banking	Playing games	Calculator	Other

If Other, please specify: _____

9. Is your cell phone WAP-enabled?

Yes	No	Unsure
-----	----	--------

10. Is your cell phone WIG-enabled?

Yes	No	Unsure
-----	----	--------

11. Do you know what WAP is?

Yes	No	Unsure
-----	----	--------

12. What is your perception of WAP?

13. Do you know what WIG is?

Yes	No	Unsure
-----	----	--------

14. What is your perception of WIG?

15. Do you know what the difference is between WAP and WIG?

Yes	No	Unsure
-----	----	--------

16. Which do you think is better?

WAP-enabled	WIG-enabled	Unsure
-------------	-------------	--------

17. Why?

SECTION B: BANKING

1. Which bank do you currently use?

Standard Bank	ABSA	Nedbank	FNB
Permanent Bank	NBS	Sanlam	Other

If Other, please specify: _____

2. What account do you hold at your bank? (Please mark all that apply)

Savings account	Current account	Cheque account	Fixed deposit
Personal loan	Car/house loan	Overdraft account	Stop order
Bill payment	Other		

If Other, please specify: _____

3. What bank services do you use mostly? (Please mark all that apply)

Deposit	Withdrawal	Debit orders	Balance enquiry
Transfers	Currency conversion	Other	

If Other, please specify: _____

4. How often do you bank?

Daily	A few times a week	Weekly
A few times a month	Seldom	

5. To what extent do you use the following to do banking? (Please mark all that apply)

	Daily	A few times a week	Weekly	A few times a month	Seldom	Never
Bank hall						
ATM						
Store/Shop						
Telephone						
Internet						
Cell phone						

6. Do you trust these methods of banking?

	Yes	No	Indifferent	Unsure
Bank hall				
ATM				
Store/Shop				
Telephone				
Internet				
Cell phone				

7. Where is the bank you most often use situated (i.e. suburb)? _____

8. The cost of banking is high.

Strongly disagree	Disagree	Indifferent	Agree	Strongly Agree
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9. What do you feel is a reasonable transaction fee?

R0-R0.50	R0.51-R1	R1.01-R2	R2.01-R3	R3.01-R4	R4+
----------	----------	----------	----------	----------	-----

SECTION C: CELL PHONE BANKING

1. Ever done banking using a cell phone?

Yes	No	Unsure
-----	----	--------

2. If no, would you ever bank using a cell phone?

Yes	No	Unsure
-----	----	--------

3. Cell phone banking is quicker to use than traditional forms of banking

Strongly disagree	Disagree	Indifferent	Agree	Strongly Agree
-------------------	----------	-------------	-------	----------------

4. Complexity:

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
Cell phone banking would be complex to use.					
Cell phone banking would require a lot of mental effort.					
Cell phone banking might be frustrating.					

5. Risk

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
Cell phone banking is a risky mode of banking to use.					
I am concerned about the security aspects of cell phone banking.					
Information concerning my cell phone banking transactions can be tampered with by others.					

6. Relative Advantage:

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
Cell phone banking is more advantageous than conventional forms of banking.					
Cell phone banking would allow me to manage my finances more efficiently.					
Cell phone banking is more effective and convenient than traditional forms of banking.					

7. Which services would you use if you did cell phone banking? (Please mark all that apply)

Statement request	Bill Payments	Debit orders	Balance enquiry
Transfers	Currency conversion	Other	

If Other, please specify: _____

8. Technological Support:

I would use or be more likely to use cell phone banking if:

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
My cell phone was WAP or WIG enabled.					
There was substantial support from the service providers.					
There was substantial support from the banks.					

9. *Compatibility:*

I would use or be more likely to use cell phone banking if:

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
Cell phone banking increased my status.					
Using my cell phone to conduct banking transactions fits into my working style.					
Cell phone banking was compatible with my lifestyle.					

10. *Triability:*

I would use or be more likely to use cell phone banking if:

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
I could test cell phone banking first.					
I could use it on a trial basis first to see what it can offer.					
I could see a trial demo first.					

11. *Self-efficacy:*

I would use or be more likely to use cell phone banking if:

	Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
I knew how to bank using a cell phone.					
I could easily understand the process of cell phone banking.					
I could learn the process of cell phone banking easily.					

12. What would be a reasonable fee per transaction using cell phone banking?

R0-R0.50	R0.51-R1	R1.01-R2	R2.01-R3	R3.01-R4	R4+
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SECTION D: BIOGRAPHICAL DETAILS

1. *Age group:*

Under 18	18-25	26-30	31-35	36-40	41-50	51+
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2. *Gender:*

Male	Female
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3. *Home language: (Please mark all that apply)*

Afrikaans	English	isiNdebele	isiXhosa
isiZulu	Sepedi	Setswana	Setswana
isiSwati	Tshivenda	Xitsonga	Other

If Other, please specify: _____

4. *Highest level of education: (Please mark the highest level reached)*

Some high school	Matric (Grade 12)	Some tertiary education
University/college graduate	Masters	Doctorate

5. Current employment status: (Please mark all that apply).

Employed	Part-time Student	Full-time Student
Retrenched	Retired	Unemployed

6. Industry (that work in):

Accounting/Finance	Electrical	Medical
Advertising/Marketing/PR	Engineering	Mechanical
Chemical	Environmental	Operations/Manufacturing
Civil	Human Factors	Research/Prod Developm.
Computer	Industrial/Manufacturing	Procurement/Sales
Education	Law	Other

If Other, please specify: _____

7. Income bracket (per annum, before tax):

R0-R24000	R24001-R38000	R39001-R55000	R55001-R80000
R80001-R100000	R100001-R215000	R215001+	

8. City of residence:

Cape Town	Johannesburg	Durban	Port Elizabeth
Pretoria	East London	Bloemfontein	Other

If Other, please specify: _____

9. Suburb of residence: _____

10. Do you own a computer?

Yes	No
-----	----

11. What is the level of your computer literacy? (Please mark all that apply)

Literate	I can switch it on	General word processing
Spreadsheets	Email	Internet surfing/usage
PowerPoint	Web-design	Databases
Programming	Other	

If Other, please specify: _____

Please accept our thanks for taking the time to complete the questionnaire. We request that you please return it to the project group as soon as possible. The group's email, cell phone and fax numbers can be found on the cover page of this questionnaire.

APPENDIX D: COST COMPARISONS – MZANSI ACCOUNT

	ABSA	FNB	Nedbank	Standard Bank	Postbank
Opening Deposit	R 0.00	R 20.00	R 20.00	R 20.00	R 10.00
Minimum Balance	R 0.00	R 20.00	R 20.00	R 20.00	R 0.00
Branch counter fees					
Counter deposit	R 10.00*	R 10.75*	R 5.00*	R 8.00*	Free
Cash withdrawal	R 10.00	R 10.75	R 10.00	R 8.00	R 9.75
Bank's own cheque	R 10.00	R 10.75	R 19.00	R 8.00	R 20.00
Balance enquiry	R 2.35	R 0.00	R 0.00	R 4.00	R 2.00
Denied transaction	R 0.00	R 0.00	R 0.00	R 0.00	Not Available
Counter statement	R 2.35	R 2.40	First per cycle is R0.00, thereafter R 3.00	R 4.00	R 4.00
Own ATM fees					
Withdrawal	R 3.25	R 4.50	R 5.00	R 4.00	R 4.75
Deposit	R 10.00*	R 10.75*	R 5.00*	R 4.00*	Not Available
Balance enquiry	R 1.00	R 0.00	R 2.00	R 2.00	R 1.00
Denied transaction	R 0.00	R 1.25	R 1.00	R 2.00	R 1.85
Mini statement	R 2.35	R 1.00	R 2.00		R 2.00
Cell top-up	R 2.90	R 1.50	R 5.00	R 0.00	Not Available
Saswitch ATM fees					
Withdrawal	R 3.25	R 4.50	R 5.00	R 4.00	R 4.75
Balance enquiry	R 1.00	R 0.00	R 2.00	R 2.00	R 1.00
Denied transaction	R 0.00	R 1.25	R 1.00	R 2.00	R 1.85
Cell top-up	R 3.25	R 4.50	R 5.00	R 4.00	R 4.75
Mini ATM fees					
Withdrawal	Not Available	R 1.50	Not Available	R 4.00	R 4.75
Point- of- sale fees					
Purchase transaction	R 2.30	R 1.50	R 2.30	R 2.00	Not Available
SA Post Office counter transactions					
Withdrawal	R 10.00	R 4.50	R 5.00	R 4.00	R 9.75
Balance enquiry	R 2.35	R 0.00	R 2.00	R 2.00	R 2.00

	ABSA	FNB	Nedbank	Standard Bank	Postbank
Card issuing fee	R 0.00	R 5.00 p.m. for 1st 6 months	R 0.00	R 0.00	R 0.00
Card replacement fee (lost, stolen or damaged)	R 30.00 Manually charged	R 30.00	R 30.00	R 20.00	R 25.00
Deposit of post-dated cheques	R 0.00	R 35.00	R 25.00	R 20.00	Not available
High-volume transaction fee applies from the sixth deposit or sixth withdrawal in a charges cycle	R 12.50 + transaction fee	R 8.00 + transaction fee	R 10.00 + transaction fee	Double transaction fee	Not applicable
*First deposit per charges cycle is free whether it was done at the branch or ATM. Includes EFTs.					

APPENDIX E: COST COMPARISONS – WIZZIT ACCOUNT

Cell phone transactions	
Airtime purchase	R0.99
Balance enquiry	R0.99
Wizzit to Wizzit transfer	R2.99
Wizzit to non- Wizzit transfer	R4.99
Card transactions	
POS purchase	R1.99
Cashback	R1.99
ATM withdrawal	R4.00 plus R0.99/R100
ATM balance enquiry	R4.99
Other transactions	
Debit orders	R4.99
Deposits	1% of deposit, R4.99 cheque
Returned debit orders	R20.00
Starter pack	R39.99
Replacement pack	R19.99
Statement	R4.99
No monthly fees	
No penalties for non-use or excessive use	

APPENDIX F: COST COMPARISONS - PIN MONEY ORDERS

A well know transmission product in the PIN money order offered by the SA Post Office. This product is commonly perceived as a reliable way of transferring funds in South Africa.

a) The benefits of using a money order are:

- Simple and reliable way to send funds
- Can be redeemed at most post offices and some participating countries
- Made out to a specific person or organisation
- Can be used to pay bills at a post office or outlet
- No minimum value and can be any value up to R2 000,00
- There is no limit to the number of money orders purchased

b) Cost

Cash is the only acceptable payment method for money orders. PIN money orders can only be issued at a Postlink on-line office and can only be redeemed in South Africa.

The cost payable is calculated as follows:

- An initial flat service fee of R17.20
- A commission fee of 3% of the value of the money order.

Thus a R500 PIN money order has a total cost of R32.20:

- Flat service fee = R17.20
- Commission fee of 3% = R15.00

c) Purchasing a money order

The purchaser is liable for all charges on the transaction. The purchaser must notify the recipient that a money order will be available. The money order number, amount and PIN must be made available to the recipient to enable him to redeem the money order. The Post Office accepts the money to be transferred and will pay it out on request but will not give notice of any funds available.

d) Redeeming a money order

Each money order must be payable to a specific person or company. Money orders can be redeemed at a post office, retail postal agency or in several participating foreign countries. Valid identification must be produced at redemption.

Note: The recipient must complete the request for redemption form before the money order will be redeemed.

e) Expiry date for money orders

Calculated six months from date of issue. For example issued on 15 March 2005, expires 14 September 2005

APPENDIX G: SUMMARY OF TRANSCRIPTS

This appendix presents a summary of statements made by participants during the focus group discussions. Please note, obvious spelling corrections have been made. Also some statements are applicable to more than one category. Statements appearing in the body of this report may have been augmented to heighten its illustration. (This was done in situations where grammar necessitated.)

a) Objective 1: Target market's perception regarding the potential use

Perceived usefulness	
Convenience	You don't have to go to the bank, but you can do all your banking wherever you are. So your bank it's your pocket. You just use your phone.
	I use my cellphone a lot, and sometimes I am never near any recharge outlets. Now I can buy airtime from anywhere and anytime.
	because they (referring to taxi drivers) don't have time to go to the banks, they work Monday to Monday. They can pay their accounts because it is easy and convenient.
	Well our company is very big and we have a lot of people working there. The banks are far away from us. And, with Wizzit they don't have to go the bank.
	You save time because if someone, maybe your child, needs money, you don't have to go to the bank. You just send the money through your phone.
	If Wizzit, they can pay their rent through the phone, they don't have to go and stand in long queues.
	but the thing about it that stands out for me is the efficiency part, that it saves you time, saves you money and is it is convenient to use anywhere, anytime during the day. Yes.
	I was told it was very convenient particularly when you needed to buy Airtime. This was appealing to me since I use my cellphone a lot, and sometimes I am never near any recharge outlets. Now I can buy airtime from anywhere and anytime since I never have time to go and stand in bank queues, therefore I just use my cellphone to transfer cash wherever I may be.
	M: Ah, so in your case the employer arranged it? R: Yes we use the cards to collect our pay from the ATM, we were told its good, we could go anywhere and use it.
	I am able to buy airtime and also I don't have to go and queue at the bank if I want to withdraw money. I am able to deposit money into other people's accounts without going to the bank.
	If another wizz person needs money for good reasons of course, you wizz him the money. The other good reason is that if one lives in Soweto you can pay them with Wizzit.
	I like Wizzit because it is easy to do most of the things, for example daily transactions. But I save with Standard bank.
	You give your card to the teller, for example you are carrying a lot of money around Jeppe Street and there are a lot of people there so you go into the bank, give the teller your money and swipe your card. That's it.
	You don't have to queue to deposit money, you just swipe your card.
	I could see my balance. It was so cool.
	Because at ABSA there are always long unbeatable queues. But with Wizzit I do everything using my phone. There is no need for me to go to the bank

	Using Wizzit is fun, for instance, you are going somewhere for a visit, you don't have to carry a lot of papers. You just take your starter pack and its so small you can put it into your pocket. It's that simple.
	M: So I can send money to my grandmother at the Eastern Cape while I am at home asleep
	R: Yes, if you have a cell phone.
	you can do that in the comfort of your own home, and your lover will receive the money wherever he is.
	Most of my clients say it is convenience and they save time. You don't have to queue in a bank because you withdraw and pay accounts and you can buy airtime.
	because they don't have time to go to the banks, they work Monday to Monday. They can pay their accounts because it is easy and convenient.
	The hawkers, because its easy for them to buy at the market and they just swipe.
	It is very convenient.
	I will say what if you are in a bus, there is no bank there but then with Wizzit you will be able to send money to your kid whilst you are in the bus.
	You can pay your accounts.
	The nice thing about this is that I am originally from the Eastern Cape and also my parents still live there. It means we will also save time for example some parts of the Eastern Cape have no banks and those people have to go to the Post Office but now they won't have to go to the Post Office or waste money by using the taxis.
	I work with guys who are stationed in the bush and they have no contact with anybody except through their cellphones, and they need to send money home.
Personal safety	You don't have to carry cash and this reduces the chance of being robbed.
	No cash thus much safer.
	and safety as well. If you walk into a bank, you might not arrive home with that cash.
	But since I fell into this Wizzit stuff, I don't have to carry money or withdraw. The money is accessible (through cellphone based transacting).
	They (referring to senior citizens) can take the card when they go shopping and not have to carry cash.
	You don't have to carry cash in your pocket.
	Because it's safe for them. They don't have to carry cash.
	And it's safe from bugs.
	People draw money and then go buy groceries at Checkers. So you tell them they don't to have to carry cash to the supermarket. They can just pay with their cards. Also they can draw cash inside the supermarket. For instance, you buy groceries for R200, then you ask the cashier to give you another R200 in cash. So it becomes R400.
	M: What did they say it does? I know nothing about Wizzit. So please tell me about it.
	R: It's a better way to pay your instalments, because when I have hard cash I spend too much.
	I like the fact that it has two pin numbers. When you make a transaction on the ATM you use a different pin number then the one you use when you use your phone. There is no way people can know your pin numbers.
	I don't have to carry cash with ma, even when I go to the homelands. I just get into the shop and produce my bank card to buy. Potential criminals could see I don't have any money on me.
	Also, travelling to banks is dangerous, you get robbed, sometimes people even get killed. But, if you have Wizzit, you do your banking at home, you do everything at home.
	You don't carry cash.
Status enhancement	Whan I went home for a family funeral, they needed to phone but realised they had no airtime, I utilised Wizzit to get them some and everyone was surprised by it. I showed them my card and everyone wanted it

	<p>Sometimes it feels good when you swipe your card and people say wow, are you a criminal (said in admiration)? When the transaction goes through, they ask what is it. And you start telling them about it, which is good because you came up with something which is different.</p>
	<p>It shouldn't adopt preferential treatment. There should be no difference between a student and a doctor.</p>
	<p>One thing I so like about it is that there is no difference between me, a student or the CEO of Telkom if we are Wizzit account holders. We get the same card, we pay the same charges, everything is the same.</p>
	<p>M: What is the significance of the Maestro sign on the card? R: Yo! R: That gives us the opportunity to shine like others. Because we know that this thing of swiping we share with people with the real big bucks.</p>
	<p>R: If you have this card they wonder where you work.</p>
	<p>M: What kind of people use Wizzit account? R: People who like easy life, who are stress free</p>
Transaction type and format	<p>Anything happen at your bank. You get an SMS.</p>
	<p>I've also bought groceries with it.</p>
	<p>R: Well, we transferred money, R10, from my friend's account R: into mine. Thereafter, I received a message that confirmed that the money had been transferred into my account. And then I bought airtime.</p>
	<p>Even with me it's just airtime. I don't have debts or accounts.</p>
	<p>Yes. And with airtime you can even do it with people who are not members of Wizzit.</p>
	<p>Even when you go shopping you can buy with your card.</p>
	<p>I've done the swiping thing. They call it point of sale.</p>
	<p>I've bought airtime, I've sent my brother money, he has also sent me money using Wizzit. I've also done the swiping. Well it wasn't me exactly, it was my brother who was buying clothes for his kids, but I was there and it worked for him.</p>
	<p>I've only bought airtime with it.</p>
	<p>I've bought airtime, I've deposited money at the Post Office.</p>
	<p>I've also bought airtime with it.</p>
	<p>And I've also checked the balance. That feature is quite alright too.</p>
	<p>R: I've deposited, I've swiped, I've checked my balance. And after I'd deposited they sent me a message to inform me that money had been deposited in my account. M: Okay. And you? R: I've withdrawn money from someone and deposited it into my account.</p>
	<p>Well I not in a position to answer about the payment of accounts because I have no debts, but normally what I do when I withdraw money, obviously I go to the ATM because I need money for transport, I need money to buy things at a shop. I won't go into a shop and buy juice for let's say R4 on my card, because it's going to charge about R2 for that transaction.</p>
	<p>R: Well, the money I use for my child's needs I get in cash. The rest I get in my Wizzit account and I use it mostly in shops. M: So, you use the card and mostly in shops? R: Yes.</p>
	<p>Check my balance on the cellphone.</p>
	<p>Yes. And I find it very interesting, you can even transfer as little as R2 into someone else's and I thought that was handy.</p>
	<p>No, to pay account, to pay Edgars.</p>
	<p>You can stop the card through the cell phone.</p>
	<p>Yes. Buy somebody airtime.</p>
	<p>Yes I do have people whom also have the Wizzit account and pay me via their cellphones.</p>
	<p>R: I pay my 3 employees,</p>

<p>M: So you use the Wizzit?</p> <p>R: Yes, they all have the Wizzit accounts and then I pay my furniture accounts as I've made arrangements.</p>
<p>R: Yes, I also pay maintenance but do not have their FNB account and have to physically take cash.</p> <p>M: Do you want to change this arrangement later?</p> <p>R: Yes, I would like to use the Wizzit account.</p> <p>M. What about other things?</p> <p>R. I've used it for other things such as groceries but I usually use cash as I have it most the time.</p>
<p>Ja, when I heard you could check your balance through the phone, that made me very interested.</p>
<p>The fact that if someone deposits money into your Wizzit account it delays, that scares people away. It is a problem.</p>
<p>I am able to check my balance so that I can know how much I have to spend.</p>
<p>I only check my balance because most the time they deposit money for me and I spend it.</p>
<p>I check my airtime, buy airtime and buy groceries.</p>
<p>M: Okay so you now use your Standard Bank as your savings account?</p> <p>R: Yes and I do my daily transactions through my Wizzit account.</p>
<p>I pay my rental and groceries and airtime.</p>
<p>I also buy through my card at Spar but if I need cash I withdraw from the bank.</p>
<p>I withdraw from the ATM.</p>
<p>I swipe the card.</p>
<p>I withdraw money from the ATM and buy I don't use my card.</p>
<p>I buy with my card and if I need cash, for example R200, I ask for a cash back and it becomes one transaction which is cheaper.</p>
<p>R: I do the same.</p> <p>R: I also do the same.</p> <p>R: Same with me.</p> <p>R: I check my balance, or buy air time and that's it. I buy groceries but I don't swipe the card I pay with cash.</p> <p>R: I basically use it for my airtime.</p> <p>M: Okay most of you buy airtime or check the balance?</p> <p>R: Yes (mostly)</p>
<p>because you can do various things, for example check the balance or buy airtime even though it is a new product but I am giving it a chance.</p>
<p>I swipe my card when I pay my accounts.</p>
<p>And also if my daughter phones and asks for money I just do it over the phone.</p>
<p>Wizzit is more personal because it becomes complicated because my employees don't have a Wizzit account so I cannot communicate with them well, for example, if I deposit money to their accounts through FNB they get the money the same day but with Wizzit they to wait for 24 - 48 hours.</p>
<p>It is convenient, you can use it anytime. And Wizzit to Wizzit saves time because the person gets the money same time.</p>
<p>R: You can buy groceries.</p> <p>R: You can buy petrol.</p> <p>R: Buy airtime.</p>
<p>R: I buy airtime and pay for dining out. I didn't know that but I was at a restaurant in Dube and they asked for a person who was wizzy that is when I knew I could pay with it. I also transfer money.</p> <p>R: My salary goes into the Wizzit account, I buy airtime and buy groceries with it, do Wizzit to Wizzit transfers and pay my accounts with it.</p> <p>R: I transfer money to my employees, buy groceries and also you can pay with it where ever there is a Maestro sign.</p>

	Yes and if you buy groceries and you want money you can get money at the till. If you buy groceries worth R60 you can ask for the R40 as cash money.
	M: You withdraw from the ATM? R: Yes.
	I use my phone to check my bank balance, then I pay my debts starting with the people I work with.
	I go to the ATM and check my balance then I will only withdraw enough money for transport. For the groceries I use my bank card at Shoprite. I only buy food with my card.
	It's to buy airtime, there is nothing stressful as going to the shop looking for airtime and they don't have it. You just buy airtime from the phone.
	R: Yes you can pay. M: Pay what? R: An account.
	I use it for airtime only.
	I pay someone that I owe
	M: Can you pay someone who doesn't use Wizzit? R: Yes.
	We know that we can withdraw money from these shops because our cards have a Maestro sign.
	I deposit at Postbank.
	I do it with my phone.
	deposit at the post office takes 24 hours.
	There is cash back.
	M: Do people understand what is cash back? R: Yes.
	No, you can just swipe because as you swipe it processes the transaction.
	I receive an SMS from Wizzit as soon as my money goes into my account, then I go to the ATM to check if I have money in my account.
PIN code problem	I cannot use my phone to make transactions.
Perceived ease of use	
Relationship advantages	It is a good idea given a fact that the product is selling well in the market and that is because of the one to one basis.
	for example I stay in Ivory Park but I'm originally from Mpumalanga and I still have strong roots there. And if I go there I talk about Wizzit, so Wizzit is growing there and everywhere else where I have a friend or relative whom I visit or talk to. So it's a good thing.
	M: So you prefer to speak to a Wizzkid? R: Yes.
	M: Others, how did you feel about Pat? R: He was patient, because he even showed me how to check the balance using my cellphone. Although he didn't understand my phone because is different from his.
	I'll tell you about my personal experience. My boss is very rich and it was he who introduced me to Wizzit.
	Yes because we know the people better.
	They can even ask me as their consultant.
	Two of my friends told me about it.
	I got to know it through one of my friends.
	I heard about Wizzit from Karabo, my sister.
	I was signed up by friends, and I told them that I'd sign up, deposit money into it but should I not get access to my cash, I'm dealing with you.
	I don't because my sister introduced me to it.

	Yes as a Wizzkid I can be an ATM.
Familiarity & comfort with cellphone	You show them now and they do it so quick you don't have a problem.
	That is fine but you must know that grannies need time to understand so you must be patient when you talk to them. And also give yourself enough time in order for them to understand.
	The most important thing with kids is that they know the cellphone. They understand the technology of today.
	The speed that you have to use when you are using a cellphone.
	teenagers are the easiest because they love cellphones and they also have a lot of money to play around with.
	And it can be exciting to the kids,
	I could see my balance. It was so cool.
	Using Wizzit is fun, for instance, you are going somewhere for a visit, you don't have to carry a lot of papers. You just take your starter pack and its so small you can put it into your pocket. It's that simple.
You can stop the card through the cell phone.	
Bridging the literary gap & the value of language	When they go to their Post Office they don't have to fill any forms. They just give the cashiers their card and that's all.
	You just give the Wizzit card.
	Yes. I don't have any problems with them. I just tell them about the benefits they get, like the Post Office. You just have to explain things clearly to them and show them easy ways to use their cards and they'll never forget. They cram that easy way.
	M: Oh, because they're illiterate they can't read at the ATM, so the cash back is a very good thing for the illiterate people? R: Yes.
	M: How do the illiterate people deposit their money? R: At the Post Office. The card, the scan and then the money. R: They can ask someone. R: They can also get help from the Phone Wizzit.
	But as long as they can talk, they can talk to Wizzit. They can talk to a consultant.
	In their own language. They can talk, they can hear.
	Well they'll send an SMS in your language. Zulu, Sotho, Xhosa, you choose.
	11 official languages at Wizzit.
	R: My mum for example, I taught her only how to write her name. Just her name, so she can sign documents but she cannot read. M: Can she use Wizzit? R: I opened a Wizzit account for her, but for my own convenience. Because if I want to send her money. I send it, then I phone her and I tell her, go to Checkers, buy groceries, cash back R100. That's all I want.
	And all these people assisting speak their own language.
	Some are literate. They can read and write. In such a case. If I give a Wizzit account to the husband, I make sure I give a Wizzit account to the wife. Then I demonstrate to them how it works and they see that it's real and works. They thereafter don't have a problem with it and go on to use it successfully.
	If you look at the intelligence of the person who is opening a Wizzit account it is not complicated. You need to be open minded about new products or ideas where as if you go to the bank they assist you with your home language.
	Value of communication & partners
And they're can speak their own language. No problem.	
Anything happen at your bank. You get an SMS.	
They have excellent customer service, but it's costly.	
Also what's important is that you can deposit cash into your account at the Post Office.	

	Postbank and ABSA are his friends.
	You can do your deposit at the Post Office.
Perceived costs	
Cellphone as resource	They don't have a phone.
	Even if you don't have a cellphone you can buy a SIM card and use somebody else's cellphone.
	M: If you don't have a phone isn't there other ways you can use your Wizzit card for example debit card? R: You can use it as a debit card.
Saving on travel	Well our company is very big and we have a lot of people working there. The banks are far away from us. And, with Wizzit they don't have to go the bank.
	You save money for transport and it saves your time as well, because you can use it even if you're at home.
	The nice thing about this is that I am originally from the Eastern Cape and also my parents still live there. It means we will also save time e.g. Some parts of the Eastern Cape have no banks and those people have to go to the Post Office but now they won't have to go to the Post Office or waste money buy using the taxis.
	but the thing about it that stands out for me is the efficiency part, that it saves you time, saves you money and is it is convenient to use anywhere, anytime during the day. Yes.
	If another wizz person needs money for good reasons of course, you wizz him the money. The other good reason is that if one lives in Soweto you can pay them with Wizzit.
	Because at ABSA there are always long unbeatable queues. But with Wizzit I do everything using my phone. There is no need for me to go to the bank
	M: So I can send money to my grandmother at the Eastern Cape while I am at home asleep? R: Yes, if you have a cell phone.
	you can do that in the comfort of your own home, and your lover will receive the money wherever he is.
Airtime	Whilst with Wizzit you have to use the cellphone and your airtime gets exhausted and sometimes the problem has not been rectified by that time.
	If you don't have units you can't get to the money even if you have it.
	I need to make an urgent call to my friend, but I can't because I've got no airtime at all. I wouldn't be able to buy airtime. Why? Because I don't have that R1 to make that transaction so I can buy the airtime.
	However if you don't have any airtime in your phone it is a problem.
	But there is a problem when you run out of cash because you cannot put your money back to the cellphone. So you need to disconnect.
	They have excellent customer service, but it's costly.
Less charges	But with Wizzit the cost is lower.
	Its finance charges are lower than those of banks.
	M: As if you are swiping, is that what you mean? R: No I mean that it is more expensive than paying through the Internet. M: But for those who don't use Internet banking, how do you find it? R: It is cheaper.
	M: When you go to the ATM and withdraw, how much does the bank charge you? R: If you withdraw from the SASwitch it is something like R8 - R12.
	Even the bank charges are very less and reasonable.
	It is mostly about charges.
	The fees are less.
	Yes the charges are less.
	You also save on costs. It costs you less.

	Wizzit costs less.
	Yeah. And then when they said bank transaction charges were a Rand something and swiping was however much I said, 'What? Hold on guys, where are you skipping it because other banks are not doing what you're doing?'
	I've got a bank statement here that shows that Wizzit costs less.
	Yes. And it only charges you R1,99 but when you go to the ATM, it's R4,99.
	No, but those that mention Mzansi, I crush them because I had a presentation with those guys. It was Mzansi and Wizzit, in Meadowlands. They nearly pulled out of the presentation because the rates they were charging were far higher than those for Wizzit. I think it costs around R10- to withdraw money from the machine on a Mzansi account and only R4,99 from Wizzit.
	Charge but let me explain something it is better when you do a cash back than an ATM because ATM's are expensive.
	They will tell you about charges.
Uninformed about true costs	M: Okay, let's go back to when you withdraw money from the ATM. You withdraw R500, how much do you pay for that? Because there are charges for withdrawing that R500. R: I don't. R: I don't have a clue.
	M: How are the charges for withdrawing? R: R2.99 R: Wow it's cheaper.
	M: How much do they charge for swiping? R: R4.99
	R: By the way what is the charge if you swipe your Wizzit card?
Cost Nonchalant	M: Let us be serious do you ever think of your bank charges? R: No. R: No.
	He has cheap bank card that costs only R39.95.
	Personally I don't check charges.
Perceived mobility	
Proximity	Even if you don't have a cellphone you can buy a SIM card and use somebody else's cellphone.
	The nice thing about this is that I am originally from the Eastern Cape and also my parents still live there. It means we will also save time e.g. Some parts of the Eastern Cape have no banks and those people have to go to the Post Office but now they won't have to go to the Post Office or waste money buy using the taxis.
	Well our company is very big and we have a lot of people working there. The banks are far away from us. And, with Wizzit they don't have to go the bank.
	I work with guys who are stationed in the bush and they have no contact with anybody except through their cellphones, and they need to send money home.
	It will grow, as some of us stay far from some banks and other facilities, but now we can use this almost anywhere. I can withdraw money anywhere.
	I work with guys who are stationed in the bush and they have no contact with anybody except through their cellphones, and they need to send money home.
	M: Why don't you open an account for your mother? R: I don't think that they have a branch in Natal
	I use my cellphone and it is always in my pocket.

b) Objective 2: Target market's readiness and receptiveness

Trust	Others say if we put money in this bank what if they run away with our money, what will we do?
	I tell my prospects to phone the World of Wizzit to verify the company's existence. I take you there to see the building for yourself.
	Yes. If they phone the World of Wizzit they do believe you. (Demonstrating starter pack) You see.
	And it's easy for me because they trust my boss. He's been doing this job for more than 20 years now.
	In fact what is Wizzit won't they be one of the companies that will take us to the Credit Bureau?
	M: What was worrying you?
	R: I had never heard of Wizzit before
	M: You thought you might loose your money?
	R: I did not trust this Wizzit.
	Other people do not want to disclose their accounts because they are losing their monies. So they will say I have my own bank and that's it. They don't want to talk in detail, because they think that if they disclose their banking accounts or details something might happen.
	M: So the trust here is very important?
	R: Yes (all)
	So the trust here is very important?
	Yes (all)
I agree if they know you they will buy you.	
When I opened the Wizzit account I didn't feel safe that is security wise.	
not knowing if it may collapse at a later stage in future.	
They don't trust it.	
Awareness & credibility	R: No I don't see it anywhere, on billboards or something.
	M: Okay.
	R: Plus another thing is that there is no physical place that you can go to like at a normal bank. You are always passing by an ABSA branch and it's visible as ABSA.
	M: Ah Ha!
	R: With Wizzit you just have a card. And if for example I put in R1000 into my Wizzit account and the money goes missing. I don't even know where to go to lodge a complaint.
	R: But other people love to see things on TV.
	M: But will it make your life easier?
	R: Yes.
	R: Very much.
	R: Or they can just make banners that they can put on street corners. When people see them then they will want to know more about what this Wizzit is all about. Just something that will catch someone's eye. That will make them think 'Wizzit, what's that?'
They want to see the building.	
They want to see it advertised on TV.	
Not knowing the whereabouts of the building because if you see it around town or anywhere it will attract people. And people will even talk about it if they know its whereabouts for example it is around the corner. The other concern is that when you open the Wizzit account you think about the risk that you are taking because you know Wizzit is in Sandton but you don't know exactly where in Sandton.	
Cash	R: No, I'll withdraw a certain amount, maybe something like R500, then I know then that for a week I'm OK.
	M: So you're a cash person?
	R: Yes.
	R: Same here.

Readiness	I mix but I prefer those who are in the corporate world because they are more flexible, than those people who live in the townships. And also people who own their own businesses they understand these things and it is not a headache to deal with them.
	Most of them are hawkers. My boss deals with a lot of hawkers. A lot of them struggle to open accounts because they are not formally employed. This makes things easier for them. Students as well, they are excited about this whole thing. They like trying out new things. Sometimes I do get difficult customers.
	Others say they have no money to bank.
	Those who work in town are more flexible than those who work in the townships e.g. You can have a teacher with a varsity degree who stay and works in the township there is a difference in their mindset, it is stereotyped. They go to work and go back home there is no convention there or workshop for anything there because those things educate you so there is a vast difference compared to those who work in town. Those who work in town are very flexible. They flow with the times.
	I think is good because I can do most things with it. It is also my first bank account. I didn't know how to use an ATM. When I went with my friend to the bank I would stand behind him. Now I'm able to withdraw my money from an ATM.
	Yes, but I have to explain a lot to them.
	Even if you can tell the parents what they usually say is that I have my bank account, I can open up for my kids not me.
	Yes all ages, mostly women, because we understand easier than men and also we like trying out new things.
	Because they've got cellphones. Last I was making demonstrations to some Wits students and they got very excited especially that they use through their cellphones.
	R: They can send us that message again we will do it. At first we were afraid to change the pin number M: What were you afraid of? So you were worried if you change your pin numbers you could be tricked? R: I'm afraid to change my pin number. R: It was my first experience with this Wizzit. If you get a message on your phone saying change your pin number, I thought there was someone out there who had the copy of my card to access my money.
	R. I've had some problems when I buy groceries, they ask me a question about some two words that I don't understand, and I'm never sure what to say. M: Oh they ask you if it's a cheque or savings account and you need to say savings. They seek to verify the account type It is not a cheque but a savings account.
	Most of them are hawkers. My boss deals with a lot of hawkers. A lot of them struggle to open accounts because they are not formally employed. This makes things easier for them. Students as well, they are excited about this whole thing. They like trying out new things. Sometimes I do get difficult customers.
	I've never used it for anything but my airtime.

c) Objective 3: Marketing and communication approach

Marketing	It is a good idea given a fact that the product is selling well in the market and that is because of the one to one basis.
	for example I stay in Ivory Park but I'm originally from Mpumalanga and I still have strong roots there. And if I go there I talk about Wizzit, so Wizzit is growing there and everywhere else where I have a friend or relative whom I visit or talk to. So it's a good thing.
	M: So you prefer to speak to a Wizzkid?
	R: Yes.
	M: Others, how did you feel about Pat?
	R: He was patient, because he even showed me how to check the balance using my cellphone. Although he didn't understand my phone because is different from his
	M: What do you think of the concept of having Wizzkids?
	R: It is a good idea but they are very few.
	People who say why don't they advertise it.
	They say I've never heard of it or say where does it come from.
	They want to see it on the billboards too.
	They want to see a building of the Wizzit e.g. Standard Bank.
	They also want to see branches in every town.
	And branches that are closer to them, I think that will build confidence in them.
	Yes and I think each and every ABSA branch must be told about Wizzit because every ABSA branch doesn't know what you are talking about when you mention Wizzit.
	They need to see something even if it is in the newspaper.
	Even if it is once on TV, people in squatter camps have TV's. And read about Wizzit in newspapers.
	Or have a talk show about it.
	My concern is that it is quite expensive to screen that on TV. More people read so that is far better than all forms of advertising.
	Yes even if it is once on TV but you would have covered all 9 provinces.
	And if that happens it will be a word of mouth because one granny will tell other grannies and the children will also tell their grannies.
	because if it comes from a reliable source e.g. Niece or son then, they will take it
	and that is typical of any business if you talk to the leaders then the message gets across.
They need to mobilise and train ABSA staff because when you get there they don't know what you are talking about.	
I explain to people and they in turn explain to other people which mean they understand what I told them.	
The first client is important and he or she will tell the others that it is working and that it is real.	
Yes it is a good idea because it is a direct market you go to the person and he sees you. Then he has confidence in you unlike if they have to go to the bank. Sometimes you don't get full explanation from the tellers that assist you at the bank., as a teller you may not understand the products within the bank.	
They have confidence when they see you.	
It is a good idea given a fact that the product is selling well in the market and that is because of the one to one basis. It is a good strategy. Secondly if it came out being advertised many people wouldn't understand how it works especially if the ABSA people don't even understand so can you imagine what could have happened if it was advertised. It would have been a vis a visa situation if it could have been advertised.	
If it will advertise it will be big.	
I don't have a problem with Wizzit because I am self employed, I sell Wizzit to people during my spare time. I don't have a problem because I sell Wizzit part time.	

	<p>What I can say is that if you are unemployed and you go full time then you must have a serious strategy of how to make money. You need to position yourself e.g. That lady interacts with a lot of organisations and that way you can sell it but if you are an ordinary person who doesn't interact with a lot of people then you will struggle.</p> <p>Yes because we know the people better.</p> <p>During our training we were told that Wizzkids will meet and interact to share ideas and problems and there was one I attended on the 26 May.</p> <p>No, I think they will carry on . . . If you're talking about 5 years then they will last because 5 years is not a lot of time. Also in 5 years time we are having the (Soccer) World Cup, Wizzit must align their marketing with the World Cup.</p> <p>Yes, and now when I sell, people ask me for verification to prove that I'm from Wizzit and I have nothing. I don't have a shirt or anything.</p> <p>I tell my prospects to phone the World of Wizzit to verify the company's existence. I take you there to see the building for yourself.</p> <p>No, the ladies get their money from the men. You see if you walk into a house selling something and you talk to the lady of the house. If she says yes to your sales pitch, then you've sold because she will go and convince the man of the house herself, making your job easier.</p> <p>I think word of mouth works because they are talking to people on the street and that is the bulk of the clientele not that millionaire who reads for example when we are in a taxi we hardly reads what the billboard says so Wizzit is targeting those people who don't notice adverts. A person with a gold card will mostly look at the billboard and that is how Standard Bank is living.</p> <p>Yes. Everything that happens in their account, they are continually updated about through your cellphone.</p> <p>Yes people don't buy the product, they buy you.</p>
Card confusion	<p>It works like a credit card.</p> <p>R: Last time I withdrew money from Standard Bank and they charged me R20 interest. M: Was that an interest or a charge?</p>
Trial	<p>Another way of selling it is that if both of us have Wizzit accounts we can show another person how to transfer money through Wizzit, so that they can see.</p> <p>buy them airtime because that will be convincing.</p> <p>R: You know, people believe in seeing. R: Especially blacks.</p> <p>Okay, I specifically went there to test it. To see if it works or not.</p> <p>I'd already seen the airtime benefit and felt that it was No 1.</p> <p>And the person who sold it to me used the airtime buying demonstration to convince me that it was convenient.</p> <p>Yes. And I find it very interesting, you can even transfer as little as R2 into someone else's and I thought that was handy.</p> <p>Well, since I've bought the card I've just been testing it, just to see how it works. I've asked my Wizzkid if it was possible for me to open up Wizzit accounts for my employees at my phone kiosks, so I can pay their salaries through Wizzit. And he said that would be possible.</p> <p>M: Okay, you'll use it when you get a job that pays you regularly? R: Yes. But in the meantime I'll still use it when I have some money. M: I can understand your story, right now you don't have a regular job but from time to time when you've paid you put it into Wizzit. R: Yes.</p> <p>What I also like about Wizzit is that if you have lost your card you don't have to go through to them (bank), instead they come to you.</p> <p>The young man said don't worry murr just join and try it then let me know. I joined, I have a grandchild in the house that I also urged to join and he did. When he tried to access funds there were problems, which ended with him going to Hyde Park, he was very unhappy about it but the whole thing was resolved.</p> <p>Yes, they must see the thing working.</p>

	<p>Okay, I specifically went there to test it. To see if it works or not.</p> <p>He'll (Wizzkid) come and explain everything, from bank details to bank charges etcetera. In your own language.</p>
Brand recognition	<p>M: What is the significance of the Maestro sign on the card? R: Yo! R: That gives us the opportunity to shine like others. Because we know that this thing of swiping we share with people with the real big bucks.</p> <p>M: Absolutely? You can go overseas and swipe. Anywhere in the world. And the fact that it's got that 'Proudly South African' logo? R: It says to me that I'm not getting myself involved with some fly-by-night operation. For sure. If it says Proudly South African it says to me it's something worthwhile.</p> <p>Much of the people don't know Wizzit and that is a problem.</p> <p>R: Word of mouth and that is not good enough, they must put some advertising material and be visible. R: For example billboards.</p> <p>I don't believe they can put that name for decorations. It has to carry some weight.</p> <p>M: Does the Maestro also give you confidence? R: It does. M: What does Maestro bring to the party? R: It's under their umbrella. M: And what is the value? R: It adds reliability.</p> <p>Especially when someone walks up to you and says, 'I'm working for Wizzit' and you've never heard of Wizzit and you're thinking, 'By the way, when was this company formed?' You get concerned.</p> <p>They are not a problem but I think Wizzit needs to advertise itself more.</p> <p>M: What other problems do they complain about? R: The Post Office. Sometimes they go there and they tell them that they don't know Wizzit. M: Okay, at the Post Office they tell they don't know Wizzit. And at the banks do you also get that problem? R: ABSA.</p> <p>I use Postbank to send money to my parents. I have an account with them but my bank card is with my parents.</p> <p>Because now I have to use money. And the Proudly South African quietly tells me that it's safe here.</p> <p>MasterCard (Maestro) gives it a bit of weight.</p>
Ad hoc	<p>He is young but if you look at him, it is with admiration because he has achieved so much at such a young age.</p> <p>I am giving it a chance.</p> <p>I want to see how it will progress.</p> <p>Bulk of my money remains in my trusted accounts.</p> <p>I choose not to use it for all, I choose just some applications that I think will work for me now. Might change my mind later.</p> <p>Crazy, not madness, but something like Mokaba.</p>

d) Objective 4: Disruptive potential of cellphone banking

Virtual bank	M: What is the advantage? R: They don't have to charge more money, to help cover their services charges.
	M: Why don't you open an account for your mother? R: I don't think that they have a branch in Natal
	R: No I don't see it anywhere, on billboards or something. M: Okay. R: Plus another thing is that there is no physical place that you can go to like at a normal bank. You are always passing by an ABSA branch and it's visible as ABSA. M: Ah Ha! R: With Wizzit you just have a card. And if for example I put in R1000 into my Wizzit account and the money goes missing. I don't even know where to go to lodge a complaint.
	That also goes to lower costs.
	They want to see a building of the Wizzit e.g. Standard Bank.
	They also want to see branches in every town.
	And branches that are closer to them, I think that will build confidence in them.
	There is a difference because the flexibility is with those who work in town.
	Those who work in town are more flexible than those who work in the townships e.g. You can have a teacher with a varsity degree who stay and works in the township there is a difference in their mindset, it is stereotyped.
	They go to work and go back home there is no convention there or workshop for anything there because those things educate you so there is a vast difference compared to those who work in town. Those who work in town are very flexible. They flow with the times.
	But they say my bank for example, FNB does these things so what is the difference.
	For them to start introducing such things are because they could see that Wizzit is a bomb.
	R: I have one thing to say everything that Wizzit has all the other banks have for example buying airtime or groceries or even withdrawing via the ATM. When you withdraw from FNB they inform you on your cellphone about any activity. M: Okay. What are the banks saying when they talk about Wizzit? R: This bank has stolen our ideas and compact them.
	M: And what are the banks saying? R: They are saying that Wizzit is going to take their clients. R: For people like Matome and Bheki the banks sees that as a threat because they earn money weekly or monthly and during that time the bank is full of clients. So now they can have easy access to their money through Wizzit and they might see that as losing clients and also that they don't have to join the queues.
	This is similar to ABSA cellphone banking.
	Ad hoc
M: Why don't you open an account for your mother? R: I don't think that they have a branch in Natal.	
M: Do you think you'll ever get used to the bank that has no office? R: I South African, we use cellphones, you address serious issues over the phone. M: You can get use to the idea? R: Yes.	
M: So you don't have a problem with your bank not advertising? R: It keeps the rates low. M: So if they do not advertise it keeps the rates low. R: Some of the money they charge on the rates pays for the adverts we see on TV, M: Is that how it works? R: you have to pay for it, for it to be seen on TV.	

	R: But we will tell you they charge for the adverts.
	You wizz it.
	the market that Wizzit is targeting is going to take time to understand.
	This is the makoyo.
Wizzit's future	M: If you look ahead, in two to three years' time what do you think Wizzit will be like? R: One thing I so like about it is that there is no difference between me, a student or the CEO of Telkom if we are Wizzit account holders. We get the same card, we pay the same charges, everything is the same.
	I think they are going to grow very, very big because it has consultants you know, people who recruit other people to come and join Wizzit. Standard Bank has never done that. Even ABSA does not have people recruiting for it.
	I think Wizzit is going to grow because they speak the language of the people. They have people in the townships, wherever the people are staying. Everywhere, people are talking about Wizzit. Also, travelling to banks is dangerous, you get robbed, sometimes people even get killed. But, if you have Wizzit, you do your banking at home, you do everything at home.
	It will last because it is technologically advanced and it will be bigger then.
	M: 2 years from today what would the traditional banks be saying about Wizzit? R: These guys stole our business. M: Do you think Wizzit will still be in existence 2 years from today? R: they should be growing as Wizzit is doing e.g. You need to brainstorm about the product you have just like the traditional banks are doing something that Wizzit has already advanced in already. The Wizzit team must always stay ahead especially where it is lacking.
	Let us talk about the future because that is the ceiling you are talking about. Let us take 2010 do you think that the banking world will look differently e.g. Barclays has bought into ABSA and we have this poor little bank what do you think it will look like in 2010?
	the situation will change e.g. We have the Communist Party that said to Government banking charges in this country are higher than any country in the world and because of that and the 2010 the banks are going to be forced to review the strategy. However if Wizzit has a footing at this stage come 2010 they will have a better footing compared to other banks. It will be bigger compared to other banks.
	M: Are you saying that someone will buy them out? R: It depends but money speaks.
	M: I'm wondering, that in a year or so the company will realise no this is not working and the company will go under? R: No it won't. R: No. M: Let's get consensus, not one of you thinks that in a year or two Wizzit will go under? R: No (mostly). R: Unless they advertise I think that they will be gone.
	They will enter into other province as well for example my brother comes from Durban and is the only one in Durban who has it even though he works for FNB.
	M: It'll grow. Big, big . . . or just a little bit? R: I think they are going to grow very, very big because it has consultants you know, people who recruit other people to come and join Wizzit. Standard Bank has never done that. Even ABSA does not have people recruiting for it. R: I think Wizzit is going to grow because they speak the language of the people. They have people in the townships, wherever the people are staying. Everywhere, people are talking about Wizzit. Also, travelling to banks is dangerous, you get robbed, sometimes people even get killed. But, if you have Wizzit, you do your banking at home, you do everything at home.
	M what do you think the card will be like 5 years from today will it have grown? R it will have grown and become known.
	No it helps me otherwise how will I remember, if I don't have a tape recorder? Now, let's proceed. At the moment we have all these big banks and Wizzit is just a tiny little bank. What do you think will happen in 5 years time?

	<p>R: I think it will grow bigger.</p> <p>M: Will Wizzit grow bigger?</p> <p>R: Yes. I think so. Because people are excited by it.</p>
Habit	<p>I guess we don't use Wizzit for other things because it is still new it is force of habit because you go with what you usually do.</p> <p>M: Okay, you have a product in your hand that you think is valuable, can save money, and is convenient. Shouldn't that help you to change your habits? The fact that you have not changed your behaviour since you have Wizzit, does that mean you don't believe in the product?</p> <p>R: A typical example is we have been with our banks for long time compared to Wizzit. I can do Internet banking but I choose not to. Give me 5 years okay I will change but for now I am cool with what I have.</p> <p>M: You are still comfortable with going to the ATM and at the end of the month you stand with a lot of people, and here you have Wizzit but you choose to go and stand in a queue to withdraw money from the ATM?</p> <p>R: I don't stand in a queue I know those days where there is a long queue and those are the days I avoid.</p> <p>M: You don't have to worry about standing in a queue you look at them and you say bye, and walk past. Is it just habits?</p> <p>And if I change tomorrow I will change tomorrow. However I am susceptible to change. Not everything at the same time. Wizzit is still new man! We are still trying to get through with a problem of shit! It's a black card.</p> <p>9, because my use of it is very limited e.g. What I use it for works for me and I don't have any problems with that.</p> <p>They are confused they are trying to implement things that Wizzit does e.g. Today I received an SMS from FNB requesting me to register for cellphone banking and should I buy airtime via FNB I will get 10% discount and a chance of winning a prize. But I deleted it because I already have Wizzit, there is no need to have so many products.</p> <p>M: but then the bulk of your money remains in your traditional account?</p> <p>R: Yes, that's right.</p> <p>M: Why?</p> <p>R: (laughter) it's loyalty because you have known them for a long time.</p> <p>R: Yes that is what it is.</p> <p>M: You are not answering my question, what are the benefits of not having a bank structure?</p> <p>R: The company would not spend much, and the disadvantage is that people from rural areas will be faced with a problem especially because some of them don't have phones.</p>