

https://dspace.org/

Factors affecting consumer adoption of mobile payments in South Africa

Randeree, Riaz Mahomed

2012-12-04
http://hdl.handle.net/10539/12240

Downloaded from a DSpace repository. https://dspace.org/

ABSTRACT

Mobile phone ownership and mobile phone use is prolific in South Africa which enjoys more than 100% mobile penetration. Whilst mobile payments, the cashless-payments for goods and services using mobile devices, have been successful in similar economies, the rate of adoption in South Africa is low. South Africa has a large unbanked population and mobile payments have been seen as getting the unbanked access to the financial world. This study identifies and assesses the factors affecting the adoption of mobile payments by consumers in South Africa. For this qualitative study, industry experts were interviewed to answer the five research questions. Data was also collected from a focus group of ordinary consumers.

What was found was that the specific needs of consumers for mobile payments are the ease of use and the need to have a wide distribution network of merchants that accept mobile payments. The cost of a mobile payment transaction was considered reasonable and fair. Other findings include the need to educate consumers to bring about a change in their behaviour to get these consumers to adopt mobile payments as a payment culture. Mobile payments will gain greater acceptance if there is a wide network of merchants that accept this form of payment. The best way to incentivise merchants is to highlight to them the risks of carrying cash and the immediate benefit of having a cash outflow from the business, on cash withdrawal transactions. It is also advisable to get community, religious and tribal leaders to act as agents for the mobile payment products and to recommend the products to their communities to increase mobile payment adoption.

MNOs, banks and 3rd party providers need to understand the specific needs of consumers and they should build products that suit customers' needs. Through consumer education, mobile payment adoption can be increased as consumers gain trust and confidence that the technology works.