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Factors influencing the adoption of digital payments and their potential to bridge the digital divide in Soweto, a township in South Africa

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ABSTRACT

This study explored the perceptions, barriers, and enablers shaping digital payment adoption among residents of Soweto, specifically focusing on how infrastructural, economic, cultural, and trust-related factors influence user behaviour. Guided by the Technology Acceptance Model (TAM) and Van Dijk's relational theory of the digital divide, the research examined how perceived usefulness, ease of use, trust, digital skills, and socio-cultural dynamics interact to shape adoption decisions.

A qualitative research design was employed, drawing on semi-structured interviews with a purposive sample of Soweto residents aged 25 to 40. Data were analysed using thematic analysis to identify recurring patterns and contextual insights. The findings revealed that adoption remained uneven while digital payment systems were widely recognised for their convenience, speed, and perceived security. Key barriers included high transaction fees, limited infrastructure and acceptance in informal sectors such as minibus taxis and spaza shops, and cultural preferences for cash, particularly among older family members. Concerns around trust, such as fear of fraud and dissatisfaction with non-human customer service, further constrained uptake. However, repeated use of digital platforms over time enhanced confidence and digital literacy, contributing to gradual shifts in financial behaviour among some users. The study concluded that promoting digital payment adoption in township contexts requires affordable, trusted, and culturally relevant solutions beyond infrastructure to address social, behavioural, and motivational barriers. These findings contribute to the broader discourse on digital financial inclusion and offer practical recommendations for policymakers, financial institutions, and fintech providers seeking to build inclusive digital ecosystems in underserved communities.

KEYWORDS

Digital divide, digital payment adoption, digital payments, South Africa

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LIST OF ACRONYMS

DoI – Diffusion of Innovation

FICA – Federal Insurance Contributions Act

GB – Gigabyte

GSMA - Global System for Mobile Communications Association

ICASA – Independent Communications Authority of South Africa

ICT - Information and Communication Technology

MSME – Micro, Small, and Medium Enterprises

NPS – National Payment System

PASA – Payment Association of South Africa

PCH – Payment Clearing House

POS – Point of Sale

PSMB – Payment System Management Body

RAT - Resources and Appropriation Theory

SARB – South African Reserve Bank

SASSA – South African Social Security Agency

Stats SA GHS – Department: Statistics South Africa General Household Survey

TAM – Technology Acceptance Model

UTAUT – Unified Theory of Acceptance and Use of Technology

USSD - Unstructured Supplementary Service Data

VoIP - Voice over Internet Protocol

Wi-Fi - Wireless Fidelity

CHAPTER 1. INTRODUCTION

1.1 Statement of purpose

This qualitative study explored the factors influencing the adoption of digital payments in Soweto, a township in the Gauteng province of South Africa, and their potential to close the digital divide.

1.2 Background of the study

South Africa has a population of sixty million, with 0.87% annual growth. The country's median age is 27.6 years. 41,711,727 people in 2023 were urban, which is 69% of the total population. More than 50% of the South African population is between 18 and 54 years, which is a good target segment for digital payment solutions (Worldometers, 2024). The term "township" lacks a formal definition but is commonly understood to denote underdeveloped, typically urban, residential areas that, during apartheid, were designated for non-whites (including Africans, Coloureds, and Indians) residing near or employed in regions exclusively reserved for whites, as stipulated by laws such as the Black Communities Development Act (Section 33) and various proclamations (Pettman, 1913).

Despite the end of formal segregation with the advent of democracy, many of these township regions and other low-income housing areas, like informal settlements and low-income housing estates, have experienced significant expansion (Pernegger & Godehart, 2007). Blakely (2023) stated that living conditions in townships are generally poor and overcrowded because of historical under-investment in infrastructure and resources. She further asserts that the townships have been desegregated since 1994, resulting in greater wealth and a middle-class community in the townships. The township also comprises informal settlements mainly occupied by immigrants or refugees. Although census data is

not consistently current, an estimated 11.6 million individuals reside (Blakeley, 2024). According to a 2022 World Bank report, South Africa has the highest income inequality in the world, with a Gini coefficient of around 0.67 (The World Bank, 2022). The available evidence indicates that income inequality has increased during the post-apartheid era, albeit with fluctuations over time. One of the drivers of inequality is the high unemployment rate, estimated to be at 44.1%, including discouraged workers. This means that out of the 27.5 million citizens aged 15 to 60, only 16.4 million are employed. The second driver is low wages, where three million employed citizens subsist within the informal economy, where earnings are notably low. Another 1.9 million are in the agriculture and domestic industries, with extremely low income. The last driver is the high incomes at the top of the income distribution, where the wealthiest 10% of South African households account for approximately 52% of total expenditure. The poorest 10% of households contribute merely 0.8% of overall expenditure (Valodia, 2023).

The mass movement of people from rural regions to urban areas is defined as urbanisation (Kuddus, Tynan, & McBryde, 2020). Chen et al. (2014) in their research, presented empirical findings from cross-sectional data and panel data supporting the general notion of close links between urbanisation levels and GDP per capita (Chen, Zhang, Liu, & Zhang, 2014). The legacy of apartheid heavily influenced the urbanisation patterns in South Africa. Following the end of apartheid in 1994, people gained the freedom to move to areas with more economic opportunities, like Gauteng Province, which is renowned as the country's economic hub (Jacobs, David, & Stiglingh-Van Wyk, 2023). A 2023 Stats SA report names Gauteng province as the largest economy, contributing 33.1% towards South Africa’s GDP, followed by KwaZulu-Natal and Western Cape provinces at 15,9% and 13.9%, respectively (Stats SA, 2023).

The Stats SA General Household Survey 2022 report found that grants emerged as the second most significant household income source after salaries, comprising 50.2% of total income. Nationally, grants served as the primary income source for over one-fifth (23.5%) households. The survey found that the

Eastern Cape, Mpumalanga, and Limpopo provinces exhibit the highest prevalence of grants as the primary source of income. In contrast, Western Cape and Gauteng provinces have salaries as a main source of income (Statistics SA, 2024). While provinces such as Gauteng and Western Cape rely heavily on salaries as their primary income source, the situation contrasts sharply in their townships. According to a 2022 presentation by the Department of Trade, Industry, and Competition on township and rural economic development, townships grapple with a triple crisis: soaring unemployment, entrenched poverty, and staggering inequality. The presentation underscores that unemployment is particularly rampant among youth, women, Black individuals, and those with limited educational attainment (Department of Trade, Industry and Competition, 2022).

In 2019, White assessed the relationship between urban density and economic advancement. The study indicated that as population density increases, the feasibility of public investments in infrastructure and public transportation also improves. Additionally, densification fosters greater agglomeration of both people and businesses, enhancing social connectivity crucial for firms and markets to leverage the advantages of technological connectivity fully (White, 2019). This facilitates the adoption of digital technologies and financial products due to the larger customer base and demand. Urbanisation often leads to greater access to formal financial services, including banks, cash machines, and branches. As a result, urban residents have more opportunities to access and use a wider range of financial products and services, contributing to financial inclusion.

The fight against high data costs in South Africa has been ongoing for several years and has involved various stakeholders advocating for more affordable and accessible internet services. In 2016, the #DataMustFall movement gained momentum on social media platforms, with consumers voicing their frustration over exorbitant data costs. This grassroots movement brought public attention to the issue and pressured telecommunication companies and ICASA, the national regulator, to act. In response to the public outcry, parliamentary hearings were

held between telecommunication companies, government officials, and consumer rights groups to discuss factors such as lack of competition, regulatory barriers, and infrastructure challenges. Despite all these engagements, South Africa remains one of the countries with high data prices. This was confirmed by the Thomson Reuters Foundation article, which stated that 1GB of data in SA costs USD 5.29 vs USD 0.85 in Kenya. They report that more than 30% of South African youth struggle to afford mobile data costs (Harrisberg & Mensah, 2022).

Communication is pivotal in the foundational functioning of society. It connects individuals and enterprises, easing the exchange of thoughts and information, orchestrating economic endeavours, and fostering development. The ICASA 2024 Status of ICT sector report found that 71.2% of households in urban areas access the internet through mobile devices (ICASA, 2024). Network connectivity is fundamental to the success and widespread adoption of digital payments, as it ensures access to services, facilitates transaction processing, enhances convenience and security, promotes financial inclusion, and fuels innovation in payment technologies. The report also revealed that South Africa has more than 85% 3G and 4G/LTE coverage in all provinces in the rural areas and 97% to 100% in urban areas, respectively. The country also saw an increase in LTE devices, mainly mobile and smartphones, from 59 million to 65 million, which aligns with the transition to a digital era (ICASA, 2024). Based on the discoveries, it can be inferred that there are no accessibility issues regarding connectivity and devices in urban areas, including the townships in South Africa. The Research ICT Africa report confirms that despite having top-notch connectivity infrastructure and widespread mobile phone and smartphone usage, accessibility hurdles persist due to the persistently high data costs in South Africa (Chinembiri, 2020).

According to findings from a PwC 2022 survey, cash continues to be the most preferred payment method across the African continent, followed closely by debit cards. The survey was done in South Africa, Nigeria, and Kenya. Among the 1,357 survey participants surveyed between September and October 2022, a

third preferred cash as their primary payment method. In South Africa, the 18-to-25-year demographic was the most inclined toward cash usage. Half of the survey respondents cited the absence of alternative payment options or merchant preference as reasons for their cash payments. Lack of financial education is another key driver. The survey revealed that 29% of the respondents emphasised the significance of a well-functioning mobile banking app, followed by 24% who value low-cost cash withdrawals and 14% driven by the proximity of bank branches or cash machines. Although most of the population in South Africa has bank accounts, a quarter prefers to withdraw all their funds and conduct transactions using cash (PWC South Africa, 2022).

According to the Payment Association of South Africa (PASA, n.d.), the payment landscape in South Africa provides a range of options, including cash and electronic methods such as cards, debit orders, mobile payments, and real-time online transactions. The National Payment System (NPS) handles over R576 billion daily settlements. South Africa’s reintegration into the world economy in the early 1990s necessitated the establishment of a National Payment System (NPS). The NPS project was a joint endeavour between the South African Reserve Bank (SARB) and the banking industry. Its primary objective was to craft a comprehensive strategy for modernising and advancing the domestic payment system (National Payment System: PASA, 2024).

In their 2019 article providing a comprehensive look at South Africa's stance on digital payments, PPM attorneys highlight that the regulatory framework overseeing digital payments in the country is rigorous. It stipulates that only registered banks within South Africa can issue e-money. Section 11 of the Banks Act specifies that entities engaging in the "business of a bank" must be registered as public companies and as banks. Compliance with this law is essential for digital payment issuers to operate legally and sustainably. Additionally, digital companies operating in the financial services sector must adhere to the Financial Intelligence Centre Act (FICA Act), which aims to combat money laundering and the financing of terrorist activities. The FICA Act imposes various obligations on

accountable institutions, including registration, customer due diligence, reporting, and recordkeeping requirements. Compliance with the FICA Act is crucial for ensuring the integrity and security of digital financial transactions and preventing illicit activities (Ngwenya, 2019).

In the 21st century, payment methods have significantly transformed as electronic payments progressively replace cash. While cash remains predominant in Africa, survey results from McKinsey Financial Services 2022 indicate its dominance is poised to face challenges soon as electronic payments gain traction. Of the forty-five billion individual domestic transactions generated in 2020, only 5 to 7 per cent were made via electronic or digital channels. These trends highlight the considerable potential for expansion in the electronic payments sector across Africa. In recent years, many countries on the continent have seen rapid growth in this space. For instance, the Central Bank of Nigeria reported that mobile money transactions nearly doubled in 2020, reaching close to 800 million. In South Africa, the shift toward online shopping accelerated during the COVID-19 lockdowns in 2020 and 2021, with e-commerce activity increasing by roughly 40% during that period (Botta, Fjer, Gold, Ofosu-Amaah, & Seshie, 2022).

According to the McKinsey 2022 report, the growth is expected to vary across the continent. Its success will depend on a combination of factors, including the availability and quality of infrastructure, the extent of e-commerce development, the uptake of mobile financial services, and the specific regulatory conditions within each country or region. Countries such as Egypt, Ghana, Kenya, Nigeria, and South Africa are also reported to have outpaced others in transitioning to digital payments. These countries have developed the infrastructure and regulatory frameworks to support an advanced electronic payments system. Africa holds the youngest median age at 20 years, and these young individuals are expected to reside in cities by 2045. The growing presence of young, urban consumers creates a strong demand base for digital payment solutions. This shift is already visible in evolving behaviours across sectors such as transport, where

e-hailing is becoming more common; media, with increased use of streaming platforms; and retail, marked by a rise in online shopping (Botta, Fjer, Gold, Ofosu-Amaah, & Seshie, 2022).

The Stitch (2024) report highlights that South Africa is at the forefront of contactless payment usage in Africa, driven largely by consumers' preference for convenience. A key factor behind this growth is the rising adoption of affordable card payment solutions such as Yoco by small business operators. The penetration of mobile money accounts in South Africa remains relatively low compared to other African markets like Kenya and Ghana. Several factors contribute to this disparity. One contributing factor is that mobile money services may offer limited appeal in South Africa, where formal bank account usage is relatively high, reducing the perceived need for alternative financial tools. Additionally, local regulations treat mobile wallets as formal banking products, subjecting them to stringent compliance requirements. These regulatory barriers can discourage service providers from entering or expanding within the market (Stitch, 2024).

According to Stitch's 2024 report, MTN MoMo has seen notable growth in usage, particularly among low-income users, driven by the introduction of value-added features such as remittance capabilities, personal lending options, online gaming access, and zero-fee bill payments. These offerings appeal to consumers seeking to reduce financial transaction costs and consolidate various services onto a single, convenient platform. Meanwhile, digital wallet services like Apple Pay and Google Pay have also gained significant traction, with over half of South African users reportedly using smartphone-based tap-and-pay methods in the past year. In parallel, the use of buy-now-pay-later (BNPL) services has risen rapidly, with adoption increasing by 64% between 2019 and 2022 (Stitch, 2024).

1.3 Research problem

A 2023 Moneyweb article evaluated the trend towards digital payment adoption and reported that using cash presented several challenges, such as carrying cash, which made individuals vulnerable to theft, robbery, and fraud (Kruger, Adriaan;, 2023). Reliance on cash excluded individuals who lacked access to traditional banking services, such as those living in rural or underserved areas and townships (Bresendale, 2021). Cash transactions were often difficult to trace, making it challenging to track spending patterns, monitor financial transactions for fraudulent activity, and combat money laundering and tax evasion. A 2022 study by Finmark Trust evaluated the state of digital payments in South African townships and found that informal businesses, such as spaza shops, hair salons, fast food outlets, and barbers, played a vital role in the South African economy. These businesses contributed a significant share of the total number of MSMEs, employing 5.6 million people and providing a 27% contribution to the South African GDP. This environment operated through an exchange of cash for digital payment systems. Township merchants had traditionally been neglected by bank-provided point-of-sale (POS) solutions, negatively impact the acceptance of digital payments. However, the introduction of new and more affordable alternatives has improved digital payment acceptance. Innovative mobile POS solutions tailored to micro and small merchants have emerged, aiming to address this gap. Despite these advancements, substantial potential remained to improve access to and adoption of these and other solutions within townships (Trust, Finmark, 2022).

In their recent study, Ipsos discovered that the South African stokvel sector consisted of 800,000 stokvel groups with 11 million members and was valued at R50 billion (Ipsos, 2024). This expansive network served as a dynamic collection of "human banks" within the South African economy, where cash was the favoured transaction method. The study also found an increase in younger and higher-income members joining stokvels. Technology platforms like WhatsApp and Facebook were found to have transformed how stokvel groups operated, as

they were used for communication, decision-making, and record-keeping. The addition of younger members broadened the scope of stokvels and infused them with new viewpoints, technological proficiency, and a preference for efficient procedures (Ipsos, 2024).

In their 2019 research, Deloitte found that despite the circulation of over 80 million bank cards, including around 17 million South African Social Security Agency (SASSA) cards, and a mobile penetration rate of 157%, these accounts have a trend of declining usage (Deloitte, 2019). Instead, there was a growing reliance on cash transactions in the informal market. Informal merchants faced the challenge of accepting electronic payments, which hampered consumer-side growth. The research also found that having a bank account was frequently a prerequisite for employment or accessing social payments. However, despite this requirement, many individuals withdrew funds immediately upon receipt, preferring to use cash for daily transactions (Deloitte, 2019). In a survey conducted among recipients of social grants who receive their funds digitally, it was discovered that 90% of these recipients withdrew all their funds from their bank accounts as soon as they became available (Finmark Trust, 2016). Despite the security risks of handling cash and the convenience of technology platforms, banking services, and infrastructure advancements, ***cash remained king in South African townships***.

Teo et al. (2020) noted a similar situation in South Africa. Despite the widespread adoption of smartphones, Malaysia's e-wallet industry remained in its early stages, with most applications focused on the food, beverage, and transportation sectors. The Malaysian e-payment market continued to be dominated by debit and credit cards, even with 40 e-wallet services available (Teo, Law, & Koo, 2020). Choudrie et al. (2020) also evaluated factors encouraging or inhibiting smartphone usage and service provision within the older adult UK age group. Similarly, the UK had a high smartphone penetration and ICT infrastructure. Still, the diffusion of smartphone penetration was found to be very low among this

demographic, which contributed to the digital divide (Choudrie, Pheeraphuttranghkoon, & Davari, 2020).

Both studies missed an opportunity to capture additional views from the respondents apart from the factors proposed by the models (Choudrie et al., 2020; Teo et al., 2020). This constraint arose from the quantitative approach employed in those studies, which this research sought to mitigate through interviews to attain a more comprehensive understanding. A thorough investigation into the factors influencing the adoption of digital payments in South Africa, particularly among the younger generation, was needed, as they were more familiar with this technology. It was intriguing to delve into these factors using qualitative methods, particularly among township youths. This approach was warranted considering the swift evolution of digital payment technologies and their anticipated proliferation in the future. The focus on the youth demographic was crucial because they were generally more open to embracing new technologies than older generations. This research held significance for the industry as it aimed to shed light on factors that facilitated increased adoption, usage, and acceptance of digital payments among youth. Recognising their importance as a socio-demographic segment, it was vital to note that the youth functioned as consumers, employers, and employees, which were very important for GDP growth in developing countries like South Africa. This underscored the research's broader societal and organisational implications, which were poised to contribute substantially to both spheres.

1.4 Research Questions

This qualitative study sought to explore the following research questions:

1. How did residents of Soweto perceive the benefits and challenges of adopting digital payment systems in their daily lives?

2. How did infrastructural, economic, and cultural factors influence the willingness of Soweto residents to transition from cash to digital payments?
3. How did residents' experiences with digital payment platforms shape their trust and perceived security in these systems?
4. What role did digital payment systems play in enhancing financial inclusion in Soweto?
5. How did digital payment systems contribute to narrowing the digital divide in Soweto?

1.5 Rationale

Empirical research by the World Bank indicated that access to financial products and services led to more evenly distributed benefits from economic growth and fostered sustainable economic development (Demirguc-Kunt, Klapper, & Singer, 2024). This qualitative research sought to explore the deeper underlying factors contributing to the continued prevalence of high cash usage in South African townships, despite formal banking services, adequate connectivity infrastructure, and widespread availability of digital devices. It also aimed to provide insights into the adoption challenges associated with digital payment technologies. The potential contribution of this study lies in its context-specific exploration of the behavioural, cultural, infrastructural, and economic barriers that shape digital payment adoption in Soweto.

Unlike quantitative surveys that often generalize user behaviour, this research offers rich, qualitative insights directly from township residents, capturing lived experiences, perceptions, and social norms that influence payment choices. By doing so, the study addresses a gap in the existing literature, which frequently overlooks localised socio-cultural dynamics in favour of broader economic or technological analyses. Furthermore, the findings provide practical value for regulators, policymakers, the banking sector, and businesses by identifying the systemic barriers and the opportunities for intervention, such as the need for

affordable transaction fees, culturally sensitive solutions, and targeted digital literacy programs. These insights can inform the design of tailored, inclusive financial products and regulatory frameworks that better align with the realities of township communities.

Ultimately, this study contributes to the broader discourse on financial and digital inclusion by offering an evidence-based understanding of why cash remains dominant in certain African contexts, while also suggesting actionable pathways to promote the adoption of digital payments. It complements and enriches international research on digital financial ecosystems with grounded, locally relevant perspectives from South Africa.

1.6 Delimitations of the study

This study has the following delimitations:

i) The study focused specifically on Soweto township rather than attempting to analyse the entire country.
ii) The study targeted only 25 to 40-year-old township participants to provide a more focused analysis of digital payment adoption patterns.
iii) The study captured a snapshot of digital payment adoption trends at a specific evaluation time rather than a longitudinal view.
iv) The study used a qualitative interview methodology to ensure depth and rigour in data collection and analysis.
v) The study did not cover the impact of the digital payment regulatory framework.

1.7 Definition of terms

Digital Divide – The digital divide is the gap created by unequal access to modern telecommunications technology among different demographic groups and

regions. This can include inequalities in access to computers, smartphones, the Internet, or digital literacy (Taylor, 2024).

Digital Payments/ePayments – Transactions conducted through electronic or online modes without the use of cash (Khaitan & Joshi, 2024)

Financial Inclusion – Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered responsibly and sustainably (World Bank, 2024).

Township—In South Africa, the terms township and location usually refer to the often underdeveloped racially segregated urban areas that, from the late 19th century until the end of apartheid, were reserved for non-whites, namely Black Africans, Coloureds, and Indians. Townships were usually built on the periphery of towns and cities (Pettman, 1913).

1.8 Assumptions

i) Participants will give honest feedback about their personal experiences on the subject matter.
ii) Participants can grasp the applicable concepts after a thorough explanation during the interviews.
iii) Participants can articulate their thoughts and feelings clearly and comprehensively during interviews.
iv) Participants' responses are influenced by their social, cultural, and environmental contexts, which the researcher will consider when analysing the data.
v) Participants trust that their anonymity and confidentiality will be maintained, encouraging openness in their responses.

1.9 Report outline

This research report is structured into six chapters, each contributing to a comprehensive exploration of the factors influencing digital payment adoption in Soweto, and the broader implications for financial inclusion and the digital divide. Chapter 1 introduces the research context by outlining the problem statement, study objectives, and research questions. It also provides key definitions, assumptions, and delimitations that shape the scope and focus of the study. Chapter 2 presents the literature review and theoretical framework, critically engaging with existing scholarship on digital payment systems, adoption models such as the Technology Acceptance Model (TAM) and Van Dijk's Resource Access Theory (RAT), and the socio-economic dimensions of digital inclusion in developing contexts.

Chapter 3 describes the research methodology, including the qualitative approach adopted for the study. It explains the sampling strategy, the use of semi-structured interviews for data collection, and the thematic analysis procedures that guided the interpretation of participant narratives. Chapter 4 presents the empirical findings, beginning with a demographic profile of the participants. It outlines the process of theme development and delivers the findings in alignment with each research question, supported by visual aids and direct quotations to foreground participant voices.

Chapter 5 offers a critical discussion of the findings, interpreting them within the context of the theoretical framework and related literature. It highlights points of alignment and contrast with existing studies and explains how the results enhance understanding of digital payment adoption, digital inclusion, and the persistence of the digital divide in township settings. Finally, Chapter 6 concludes the report with a synthesis of key insights. It outlines the theoretical and practical implications of the research, acknowledges its limitations, and provides recommendations for future research, policy development, and the design of inclusive digital financial services.

CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter presented a review of the literature and the theoretical framework that underpinned the study. The literature review provided context by examining prior research on digital payments and the factors that impacted adopting this technology in South African townships. Subsequently, a critical analysis of the findings was presented, followed by a conclusion. Section 2.2 presented an overview of the background and definitions of digital payment, while Section 2.3 discussed the factors influencing digital payment adoption. Section 2.4 provided an overview of the impact of digital payments, and finally, Section 2.5 presented the theoretical framework that informed the study.

2.1.1 *Digital Payments*

According to the Global Findex 2021 report, digital payments are transactions conducted via multiple channels, including mobile money accounts, debit or credit cards, mobile phones, or the internet. These transactions encompassed initiating payments from an account, transferring funds to relatives or friends, and settling bills. Moreover, digital payments also included in-store or online merchant transactions, utility bill payments, domestic remittances, payments for agricultural products, receiving wages, government transfers, or public pensions directly into an account (Demirgüç-Kunt, Klapper, Singer, & Ansar, 2022). Musyaffi et al. (2021) also defined digital payments as transactions conducted electronically, where both the payer and payee utilised digital channels to send and receive money. It was also known as electronic payment and encompassed storing payment instrument data electronically (Musyaffi, Sari, & Respati, 2021). Financial technology has evolved from credit card innovation to branchless and remote banking supported by the internet. Mobile payment technology gained

popularity due to the widespread use of mobile devices (Budiarti, Hibatulloh, & Salman, 2021). According to the report by Bandura and Ramanujam (2021), a digital payment system needs to possess the following characteristics to be considered inclusive:

- **Accessible**: Digital payment services must be accessible to excluded groups and easy to acquire and understand.
- **Reliable:** Users' funds and information needed to be readily accessible and highly secure, protected against cyber theft, money laundering, and other breaches.
- **Valuable:** Digital payment services were expected to provide clear advantages over using cash.
- **Affordable:** The services needed to be low-cost or free for all or most people.
- **Profitable:** Digital payment systems were expected to fully engage the private sector and enable service providers to develop sustainable business models.
- **Interoperable:** Digital payments need to allow customers to transact with any other customer, irrespective of the service provider.

This study explored digital payment transactions via mobile money accounts and phones to initiate payments, transfer funds between friends and relatives, and settle bills.

2.1.2 *Technology adoption models*

Alaa Madi Sahi et al. (2021) conducted comprehensive research of 193 articles, analysing the factors that affected the use, adoption, and acceptance of digital payment methods. The study revealed that most of the literature focused on identifying the factors influencing consumers' intentions to use electronic

payment methods, often employing the UTAUT and UTAUT2 models. While these models were widely applied, they overlooked critical cultural and psychological factors for understanding behavioural differences across diverse consumer groups. Additionally, the study highlighted the influence of demographics, socio-economic status, cognitive abilities, cultural background, emotional attitudes, and personality traits on user satisfaction and the continued use of digital products. However, there was limited empirical research on consumer switching behaviour and attributes such as risk perception, system characteristics, and flow experience (Sahi A. M., Khalid, Abbas, & Khatib, 2021). Alswaigh and Aloud (2021) in their study developed a conceptual model that added security, trust, facilitating conditions and lifestyle compatibility to the widely used TAM and UTUAT models to examine behavioural factors that impact the acceptance and adoption of m-payment services among users in Saudi Arabia. They found that perceived use, ease of use, security, trust, lifestyle compatibility and facilitating conditions had a critical impact on acceptance and adoption (Alswaigh & Aloud, 2021). Similarly, Teo et al. (2020) evaluated factors affecting the adoption of e-wallets among youth in Malaysia. Their study expanded TAM by incorporating perceived security and social influence factors. The results suggested that the adoption of e-wallets was influenced by the users' perceptions of the system's security, the ease of use of the application, and the influence or encouragement from their peers or close contacts (Teo, Law, & Koo, 2020).

In 2020, Choudrie et al. (2020) explored smartphone adoption, usage, and penetration among older adults in the UK and their impact on the digital divide. Their study employed a conceptual model based on UTAUT, DoI, and TAM 3 principles. They found that this demographic's perceived enjoyment was the strongest factor, followed by performance expectancy, compatibility, facilitating conditions, and effort expectancy (Choudrie, Pheeraphuttranghkoon, & Davari, 2020). Al-Qudar et al.'s (2022) study on mobile payment adoption in the UAE during COVID-19 indicated that the proficiency of mobile users was the foremost factor influencing the intention to use the Apple Wallet mobile payment system, followed by perceived usefulness and convenience. Additionally, the study

highlighted the perceived risk as having a weak negative relationship with the intention to use mobile payments via the Apple Wallet app, particularly in the context of the UAE's high Cybersecurity Index (Al-Qudah, Al-Okaily, Alqudah, & Ghazlat, 2022). This research used a conceptual model expanded from the TAM model to evaluate further socioeconomic and behavioural factors influencing the adoption of digital payment services, including factors linked to the digital divide.

2.1.3 *Digital Divide*

The digital divide was defined by Lythreatis et al. (2021) as the disparity between individuals who possessed sufficient access to information communication technology (ICT) and those who lacked or had limited access to it. This gap exacerbated societal inequalities, either restricting or enhancing citizens' social and economic capital and their ability to participate fully in society (Lythreatis, Singh, & El-Kassar, 2021). The digital divide operated on three levels: the first concerned access and equipment, the second focused on the effective use of ICT and e-skills, and the third examined the performance and offline impacts of ICT utilisation. This divide extended across global, regional, and social dimensions (Aissaoui, 2020). In their study of digital inequality in San Antonio, Reddick et al. (2020) identified several key contributors to limited digital inclusion. These included differences in access based on location, such as underserved urban or rural areas; a lack of robust competition among internet service providers, which often resulted in higher prices or limited-service quality; and business practices that prioritized profit, potentially excluding low-income communities. Additionally, the high costs associated with deploying broadband infrastructure further restricted coverage. Socio-economic factors such as income, education levels, and employment status were also found to significantly influence individuals' ability to access and use digital services. The researchers used social exclusion theory as the foundational framework to explain how these intersecting issues created a digital divide within the city itself. This theory examined the processes and conditions that led to the marginalisation of individuals or groups within society by focusing on the systemic barriers that

prevented full participation in social, economic, political, and cultural life. These barriers included poverty, discrimination, lack of education, and limited access to social services and opportunities, such as broadband services. The case study revealed noticeable disparities in digital access across different racial and ethnic groups, as well as among distinct neighbourhoods within the city. These geographical patterns were further compounded by overlapping social inequalities. Factors such as age, household income, employment status, and educational attainment all played a role in deepening the digital divide. When combined with spatial clustering, these socio-demographic barriers underscored the extent of social exclusion experienced by certain communities. As a result, many residents were left without equitable access to essential digital infrastructure, including reliable broadband services (Reddick, Enriquez, Harris, & Sharma, 2020).

Like the situation observed in San Antonio, township communities in South Africa face a distinct set of challenges shaped by their historical legacy, political dynamics, economic limitations, and infrastructural constraints. This study assessed the second and third levels of the digital divide, grounded in Reddick et al.'s social exclusion theory. The theory scrutinised how competition influenced pricing in digital payment services and socio-economic conditions. The emphasis on these levels of the digital divide was driven by South Africa's widespread adoption of smartphones and network infrastructure, which suggested fewer challenges at the first level of the divide, thus highlighting the need to explore subsequent levels.

2.2 Factors Influencing Digital Payment Adoption

Wu and Peng's (2024) study identified several significant obstacles to FinTech adoption. They highlighted limited access to technology and internet connectivity, insufficient financial resources to invest in technology or cover associated fees, and a lack of financial literacy skills necessary for understanding and using FinTech applications. Additionally, users were found to be conservative about

adopting new financial technologies, preferring traditional institutions with which they were familiar. Moreover, FinTech products and services often failed to meet the specific needs of target users, who faced different financial challenges based on their urban or rural settings (Wu & Peng, 2024).

Balakrishnan and Shuib (2021) emphasised that while functionality, awareness, and technological benefits drove adoption, risk and intrinsic motivation were crucial consumer considerations (Balakrishnan & Shuib, 2021). Similarly, Najdawi et al. (2021) discovered that consumers across all age groups in Dubai recognised the necessity of digital transformation. However, their primary concerns for adoption revolved around system ease of use and risk factors (Najdawi, Chabani, & Said, 2021). Sahi et al. (2021) echoed this finding, noting that consumers' expectations of transaction performance and ease of use significantly influenced adoption.

Conversely, from retailers' perspective, Linn (2022) highlighted three key factors that significantly contributed to digital payment adoption: perceived ease of use, compatibility, and observability. However, Linn noted that risk was a major deterrent, with fears of fraud and misuse being the most impactful factors. The higher the perceived risk, the less likely retailers were to adopt digital payment methods. Additionally, peer influence from customers and suppliers significantly affected retailers' subjective norms, while self-efficacy, or confidence in using the technology, strongly influenced perceived behavioural control (Linn, 2022). This issue of peer influence was also observed by Darmawan et al. (2020) in Indonesia, where it was one of the strongest determinants of adoption by small and micro-scale businesses.

Interestingly, the findings by Ravikumar and Prakash (2022) in Bangalore revealed that the habit and pervasiveness of cash usage, along with the operating costs of digital transactions, were significant barriers to digital payment adoption (Ravikumar & Prakash, 2022). Conversely, the dynamics in Jaipur, India, presented a different scenario. Merchants possessed the necessary infrastructure for digital transactions, including bank accounts and smartphones,

affordable digital platform fees, and sufficient literacy to use digital payment systems. However, on the demand side, factors such as the perceived lack of customers wanting to pay digitally and concerns over mobile payment records increasing tax liability hindered adoption (Ligon, Malick, Sheth, & Trachtman, 2019).

2.2.1 *Proposition 1*

The adoption of digital payments in South African townships was shaped by a combination of factors. Perceptions of usefulness, ease of use, individual demographics, motivation, and digital skills served as key enablers, while concerns around perceived risk, transaction fees, and internet costs acted as significant barriers to adoption.

2.3 Impact of Digital Payment Adoption and the Digital Divide

Wu and Peng's (2024) study aimed to understand and assess the key factors that drove the adoption of financial technology (FinTech) applications among rural residents using a conceptual model adapted from TAM that incorporated innovation and financial awareness. They found that higher innovation awareness enabled rural users to look beyond ingrained norms and recognise the benefits of FinTech tools. Additionally, those with an active financial learning orientation were better equipped to leverage FinTech for their financial goals (Wu & Peng, 2024). Appiah et al. (2022) found that access, resources, and external pressures related to the digital divide significantly impacted the use of FinTech. The study indicated that the negative effects of the digital divide hindered FinTech adoption while bridging this gap and promoting its use. To enhance financial inclusion, they emphasised the importance of government and public organisations providing affordable or free digital services and devices to improve access for various groups (Odei-Appiah , Wiredu, & Adjei, 2022). Ediagbonya and Tiowulani (2023) identified several factors contributing to the financial inclusion gap, including illiteracy, poor infrastructure, intermittent power supply,

weak mobile reception, frequent bank network failures, excessive charges, information asymmetry, and data privacy breaches. They asserted that FinTech could have helped close this gap by reducing the cost of financial services. With the right environment and regulations, FinTech could have been crucial for increasing financial inclusion in developing and emerging countries, enhancing financial stability, and driving economic growth (Ediagbonya & Tioluwani, 2023).

According to Vyas and Jain (2021), digital transformation has led to more efficient, accessible, and cost-effective financial services, improving the speed and ease of transactions. Despite these advancements, the advantages have largely been limited to individuals with financial literacy. Barriers such as limited education, absence of formal identification, cultural beliefs, older age, reluctance to adopt new technologies, and low-income levels continue to exclude many from fully participating in the digital financial ecosystem. While the rise of the digital financial ecosystem was transforming financial inclusion, challenges persisted, including self-exclusion and the unwillingness or inability of vulnerable populations to join the formal financial system (Vyas & Jain, 2021). Senyo and Osabutey (2020) argued that mobile money technology was the most viable alternative to cash, especially in developing countries. Despite concerns about transaction costs and risks, people had continued to use mobile money services due to their convenience, wide availability, and speed, which had outweighed the costs. Mobile ownership was identified as the primary requirement for mobile money services, and no specialised skills were necessary to use these services. Considering the widespread use of mobile phones, it is unsurprising that enabling conditions did not play a major role in shaping users' intentions to adopt mobile money services (Senyo & Osabutey, 2020).

2.3.1 *Proposition 2*

Tailored and affordable digital payment solutions reduced the use of cash while improving digital skills and financial inclusion, thereby bridging the digital divide.

2.4 ANALYTICAL FRAMEWORK

2.4.1 *Technology Acceptance Framework (TAM)*

The Technology Acceptance Model (TAM) stood out as one of the most frequently employed frameworks in the literature for predicting user behavioural intentions, particularly regarding adopting and accepting modern technology, regardless of the environment (rural or urban). Consequently, extensive research had been conducted using the Theory of Reasoned Action (TRA), which was later known as the "Decomposed Theory of Planned Behaviour" (DTPB) and the Theory of Planned Behaviour (TPB) models, to assess the factors that influenced the adoption of technology-enabled financial services by users. Davis (1989) enhanced the Theory of Reasoned Action (TRA) by introducing the Technology Acceptance Model (TAM), which focused on two fundamental factors: perceived usefulness (PU) and perceived ease of use (PEOU). TAM evolved into TAM2 and later contributed to developing the Unified Theory of Acceptance and Use of Technology (UTAUT) (Vyas & Jain, 2021). The theoretical framework for the study was outlined below and was further elaborated in the following sections:

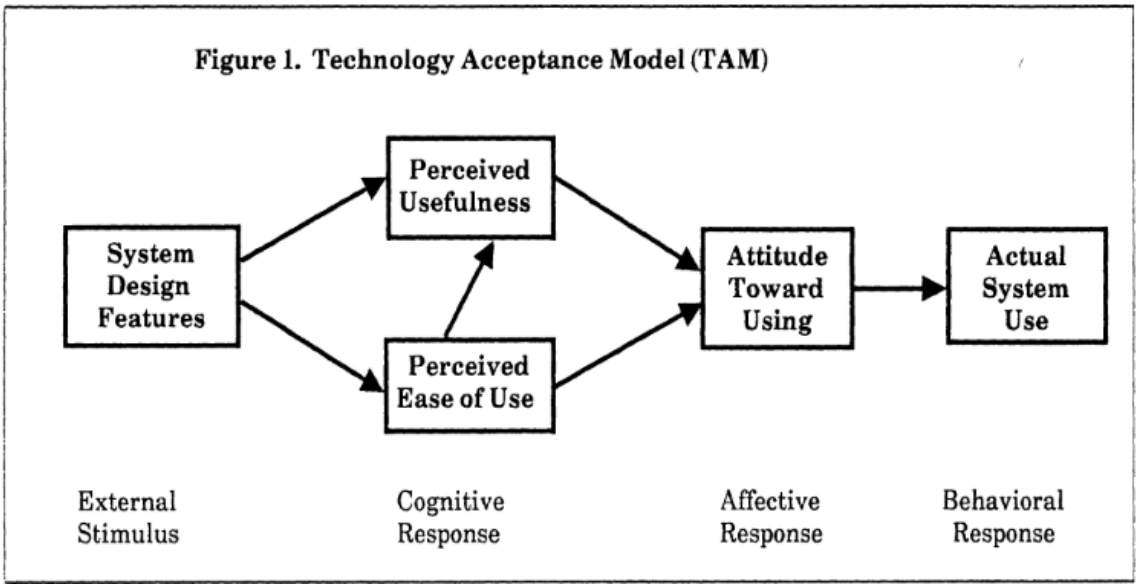


Figure 2-1: Technology Acceptance Model (TAM), page 3 (Davis, 1989)

The TAM model was developed to address two key research questions: why users accepted or rejected information technology and how system features impacted user acceptance. Additionally, the model was designed to aid in understanding how to enhance user acceptance through effective system design. It illustrated causal relationships with arrows, hypothesising that a prospective user's overall attitude towards using a given system was a major determinant of adoption. This attitude was influenced by perceived usefulness (PU) and perceived ease of use (PEOU), both shaped by the system's design features. Davis (1989) found that PU was the most powerful determinant of use, directly and indirectly, through attitude. PEOU had a small direct effect on attitude, primarily impacting it indirectly through PU. System design features exhibited a small but significant direct impact on attitude, which Davis interpreted as highlighting the model's focus on extrinsic motivation (Davis, 1989).

2.4.2 *Digital Divide*

Van Dijk (2013) challenged the effectiveness of the methodological individualism approach often used to study the digital divide. This traditional, survey-based method analysed individuals based on income, age, or education but neglected the structural and relational contexts in which digital inequalities are produced. A key shortcoming of this view was that it often shifted the blame for exclusion onto individuals, implying they lacked motivation or willingness to engage with digital technology, rather than acknowledging broader societal and infrastructural barriers. In response, Van Dijk proposed a relational view of digital inequality, emphasising that technology adoption is better understood through examining the positions and relationships between individuals and groups. These positions are shaped by structural categories—such as high versus low education, youth versus seniors, urban versus rural, and formal versus informal workers—that influence patterns of early and late adoption. Dominant groups often adopt technology first, solidifying their advantages and reinforcing social hierarchies. These patterns operate through mechanisms of social closure, control, and unequal distribution of resources, which vary depending on the societal context.

This theoretical shift led to the development of Resources and Appropriation Theory (RAT), which conceptualises digital inclusion as a multi-stage process requiring:

1. Motivational access (the desire to use technology),
2. Physical access (availability of devices and connectivity),
3. Skills access (ability to navigate and use digital platforms), and
4. Usage access (engagement in meaningful and productive activities using technology) (Van Dijk, 2013, 2020).

The following framework was presented to capture the concept of usage:

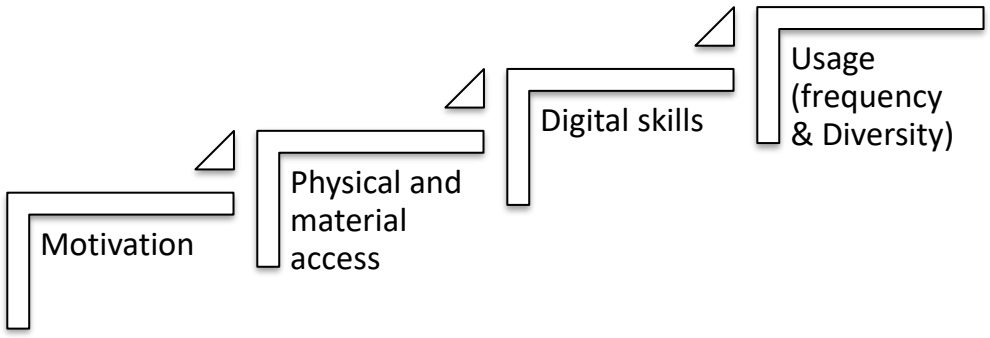


Figure 2-2: Van Dijk's Digital Divide Levels framework

Van Dijk (2020) noted that while motivational and physical access have improved globally, new challenges have emerged in the form of second- and third-level digital divides—specifically concerning digital skills, quality of usage, and user outcomes. In many underserved contexts, individuals may own smartphones or have basic internet access but lack the digital fluency needed to use online platforms effectively for education, employment, or financial services.

In the South African context, recent findings from FinMark Trust (2022) and GSMA (2023) confirm that access to mobile technology is widespread in urban townships. However, digital usage remains limited by factors such as affordability

of data, limited financial literacy, and low confidence in using financial applications. Many residents use their mobile devices for communication or entertainment but refrain from adopting digital financial services due to fears of fraud, hidden costs, and unfamiliarity with app functions (FinMark Trust , 2022; GSMA, 2023).

Van Dijk's (2020) work further emphasized the importance of content-related and strategic digital skills. These go beyond basic operational use and include the ability to find relevant information, evaluate digital content critically, and apply digital tools toward achieving personal and economic goals. Such skills are often unevenly distributed and heavily influenced by education and employment exposure.

Additionally, Van Dijk (2020) offered a tripartite framework for digital inequality in contemporary society:

- The Information Elite (~15%) are highly educated and well-connected individuals who use digital technologies strategically.
- The Middle Segment (~50–60%) have partial access and use technology mainly for social and entertainment purposes.
- The Excluded Segment (~25%) include individuals with minimal access, often from marginalized or economically disadvantaged backgrounds.

These divisions are particularly relevant in South African townships, where digital inclusion is not only about access to devices but also about overcoming broader economic, educational, and infrastructural inequalities. Moreover, the networked nature of digital society, as described by Van Dijk, means that people's ability to benefit from digital systems increasingly depends on their social connections, access to trusted support networks, and inclusion in digitally enabled economic ecosystems.

In summary, Van Dijk's relational approach to the digital divide—especially as developed in his 2020 work—provides a nuanced framework for analysing how structural inequality is reproduced through digital technologies. In the context of township digital payment adoption, this theory underscores the need to address motivational, financial, and skills-related barriers to achieve meaningful and equitable participation in the digital economy.

2.4.3 *Integrated Conceptual Model*

To strengthen the theoretical framing, this study developed an integrated conceptual model that extends the Technology Acceptance Model (TAM) with socio-economic and behavioural dimensions (Figure 2-3). The model positions motivational, physical, skills, and usage access—as identified by Van Dijk's (2013) digital divide framework—as antecedents shaping perceptions of usefulness and ease of use. These perceptions drive behavioural intention and ultimately lead to digital payment adoption. Beyond adoption, the model emphasises outcomes of financial inclusion and bridging the digital divide, reflecting the township context in which structural barriers strongly mediate adoption. This integrated representation clarifies the relationships between variables and situates TAM within the broader socio-economic realities of Soweto.

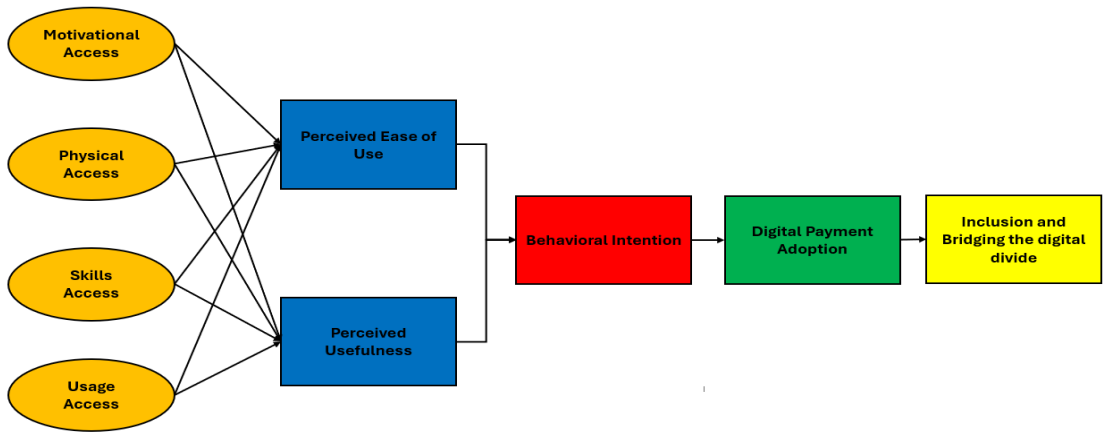


Figure 2-3: Integrated Conceptual Model

2.5 Conclusion of Literature Review

The literature on digital payment adoption highlighted several critical factors influencing user acceptance. Perceived usefulness and ease of use were found to significantly affect adoption decisions, while demographics, digital skills, motivation, and trust also played key roles. Conversely, barriers such as perceived risk, high transaction fees, and the cost of internet access hindered widespread adoption, particularly in low-income township settings. These insights point to adoption being shaped by both individual perceptions and structural constraints.

While TAM provides a useful theoretical lens, it has been critiqued for overlooking socio-cultural and contextual influences that strongly affect technology use in real-world settings (Venkatesh, Thong, & Xu, 2012). Similarly, recent scholarship has cautioned that digital inclusion can reproduce inequality through adverse digital incorporation, where participation in digital systems may disproportionately benefit the already advantaged (Heeks, 2021). The integrated conceptual model developed in this study (Figure 2-3) addresses these concerns by linking adoption drivers with broader socio-economic realities, thereby establishing a more robust foundation for the empirical chapters that follow.

2.5.1 *Proposition 1*

The adoption of digital payments in South African townships was shaped by a combination of factors. Perceptions of usefulness, ease of use, individual demographics, motivation, and digital skills served as key enablers, while concerns around perceived risk, transaction fees, and internet costs acted as significant barriers to adoption.

2.5.2 *Proposition 2*

Tailored and affordable digital payment solutions reduced the use of cash while improving digital skills and financial inclusion, thereby bridging the digital divide.

CHAPTER 3. RESEARCH METHODOLOGY

This chapter outlined the methodology employed in this study, detailing the steps and procedures followed to address the research questions effectively. It provided a comprehensive overview of the research approach and design, justifying the chosen methods and explaining their relevance to the study. The chapter elaborated on the sampling techniques used to select participants, describing the population and methods in detail. Additionally, it covered the data collection methods, including the instruments and procedures that were utilised. Ethical considerations were thoroughly discussed, ensuring adherence to ethical guidelines throughout the research process. The chapter also addressed the study's limitations, the measures that were taken to ensure reliability and validity, and the statistical techniques that were applied for data analysis.

3.1 Research Paradigm

Interpretivism focuses on understanding the nuanced variables and contextual factors of human experiences, viewing humans as distinct from physical phenomena. It acknowledged that cultural, circumstantial, and temporal variations created different social realities, enriching the insights gathered (Alharahsheh & Pius, 2020). This aligned with the qualitative method chosen for this study, where interviews were used to explore rich insights about digital payment adoption and its impact on the digital divide.

3.2 Research approach

Qualitative research focused on understanding meanings and processes that could not be measured quantitatively. It aimed to provide detailed insights into a phenomenon from those experiencing it, with less emphasis on generalisation. This type of research sought to explore specific cases, yielding high-quality, in-depth responses deeply (Alharahsheh & Pius, 2020). The study utilised a qualitative research approach, employing semi-structured interviews for data

collection. This method was deemed suitable as it aimed to gain an in-depth understanding of the underlying reasons behind the phenomenon and to gather comprehensive information on the topic from the sample. This approach assumed that participants would provide honest feedback about their personal experiences and would understand the relevant concepts after thorough explanations during the interviews.

3.3 Research design

The research design followed a generic qualitative approach. According to Percy et al. (2015), this type of research design investigated individuals' subjective opinions, attitudes, beliefs, and reflections on their experiences with external phenomena (Percy, Kostere, & Kostere, 2015). The literature review had established an empirical body of knowledge, and this approach enabled an in-depth understanding from participants based on this pre-existing knowledge.

This generic qualitative approach investigated participants' opinions, attitudes, beliefs, and reflections on digital payment adoption. The interviews included multiple questions and prompts to encourage participants to elaborate on their experiences. This method allowed for identifying and describing significant impressions or perceptions while providing an opportunity to ask exploratory questions (Ellis & Hart, 2023). Understanding these subjective experiences was crucial for comprehending the broader impact of the digital divide. The approach also supported the selection of theoretical frameworks that aligned best with the research questions and design, necessitating a comprehensive understanding of various methodologies to apply, manipulate, and blend them as required effectively. This process encouraged engagement in extensive and thoughtful reflection on the work, which enhanced methodological expertise and development. However, generic qualitative approaches also had disadvantages, as they lacked a consistent set of theoretical assumptions and robust critical literature, requiring researchers to make deliberate decisions on integrating theoretical perspectives into their studies. Despite these drawbacks, they offered

a fertile ground for developing new methodologies and facilitating discussions on rigour across disciplinary and methodological boundaries (Kahlke, 2014).

3.4 Data collection methods

Data were collected using standardised open-ended interviews in person or online according to participants' preferences. Warren (2002) emphasised that this method viewed participants as active meaning-makers (Warren, 2002). The interviews were guided conversations where the researcher listened attentively to understand the conveyed meanings and identify patterns or themes among respondents. This approach was justified for its ability to provide rich, detailed data that captured the depth of participants' experiences and perspectives on digital payment adoption and the digital divide. Standardised questions ensured consistency across interviews, facilitating comparability while allowing flexibility to explore emergent themes. This aligned with the research goals of understanding complex social processes and behaviours in participants' own words.

3.5 Population and sample

3.5.1 *Population*

The population for this study comprised individuals aged 25 to 40 residing in the South African township of Soweto. Focusing on this youth demographic was essential, as they were generally more receptive to adopting new technologies than older generations.

3.5.2 *Sample and sampling method*

Malterud et al. (2016) introduced the concept of Information Power, which applied to qualitative interviews. Information Power suggested that the more relevant information a sample held for the study, the fewer participants were needed. In

this context, sample adequacy, data quality, and the variability of relevant events were often more important than the number of participants (Malterud, Siersma, & Guassora, 2016). This study purposively sampled respondents based on age and residency in Soweto. This method enabled the researcher to intentionally select participants with expertise and knowledge about the phenomenon being studied (Gill, 2020). The sample consisted of youth residents aged 25 to 40. An approximate provisional upper limit of 12 participants was proposed, with the final number determined by the principle of data saturation—the point at which additional interviews no longer yield new insights or themes. This approach aligns with qualitative research best practices, focusing on achieving thematic depth rather than statistical generalizability (Braun & Clarke, 2022) . In similar qualitative studies employing thematic analysis, between 6 to 12 interviews are often sufficient to reach meaningful saturation when participant selection is purposive and focused (Vasileiou, Barnett, Thorpe, & Young, 2018)(Vasileiou et al., 2018; Braun & Clarke, 2022). This adaptive approach aligned with the study's inductive methodology, where continuous saturation assessment was undertaken. The approach aimed to capture diverse views and opinions on digital payment adoption and its impact on the digital divide.

3.6 The research instrument

This study's research instrument was standardised open-ended face-to-face or online interviews. All participants were asked the same questions, phrased to elicit open-ended responses. According to Turner (2010), this approach allowed participants to provide as much detailed information as they wished and enabled the researcher to ask follow-up probing questions for further clarification (Turner III, 2010). Participant profiling was a crucial aspect of this research. Therefore, Appendix A contained the Interview Participant Profiles, followed by the Interview Guide in Appendix B.

3.7 Procedure for data collection

The researcher used the various youth group, which fit the required demographic. The interviewees were approached informally, and an overview and details of the study were explained to them. The process was as follows:

1. The identified sample was approached informally via their WhatsApp group.
2. The informal request was followed up with a formal invite scheduled in their diaries.
3. Meetings were arranged based on the interviewees' preferences.
4. The interview guide was sent to the interviewees in advance to allow them time to reflect on the questions.
5. Participants were requested to sign consent forms before the commencement of the face-to-face meetings.
6. A recording device and a notebook, as per the participants' preference, were used to ensure that all information was accurately captured during the interviews.

3.8 Data analysis strategies and interpretation

The study used thematic analysis as the primary method for systematically identifying, organising, and interpreting patterns of themes across the interview data. This approach was well-suited to the study’s exploration of shared meanings, perceptions, and experiences related to digital payment adoption in Soweto (Braun & Clarke, 2012). The research followed the six-phase process of thematic analysis as outlined by Terry et al. (2017), with manual coding conducted using Microsoft Excel. The data analysis process involved several key steps. Firstly, the researcher engaged in familiarisation with the data by repeatedly listening to the recorded interviews and reviewing handwritten notes taken during and immediately after each interview. This step allowed the researcher to immerse fully in the data and begin to identify recurring ideas and

initial points of interest. Secondly, the recorded interviews were transcribed manually into an Excel spreadsheet, where each row represented a segment of participant responses. Alongside the transcribed data, the researcher added columns to note initial observations, keywords, and potential codes. This structure enabled the systematic organisation of the data for further analysis. The third step involved manually coding the transcribed data by reading through the spreadsheet line by line, highlighting repeated patterns, phrases, and concepts expressed by participants. Codes were assigned to specific excerpts directly within the Excel sheet. The researcher continuously refined these codes by grouping similar concepts and noting overlaps or distinctions between responses.

Following the initial coding, the researcher collated the codes into broader themes. Themes were developed by identifying patterns across the dataset where codes clustered around common ideas, such as perceived benefits, barriers, cultural influences, and trust issues. Associated participant comments were noted alongside each theme to ensure that the analysis remained grounded in the actual voices of the participants. In the next phase, the researcher reviewed and refined the themes to ensure coherence and internal consistency within themes, as well as a clear distinction between different themes. This involved revisiting the transcriptions and the coding spreadsheet to verify that the themes accurately reflected the data. Finally, the researcher defined and named the themes clearly, interpreting the findings in relation to the research questions and conceptual framework. Direct participant quotations were selected to support the identified themes, ensuring the analysis remained authentic to the participants' lived experiences. This transparent, manual coding approach using Excel facilitated a clear audit trail of the data analysis process and supported a rigorous and systematic thematic exploration of the interview data.

3.9 Quality Assurance

3.9.1 *Transferability*

Transferability, a concept of trustworthiness comparable to external validity, referred to the applicability of research findings to different settings. Transferability ensured that the findings from one study could be applied to other similar settings (Sikolia, Biros, Mason, & Weiser, 2013). Utilising an interview guide helped maintain uniformity in data collection. Although there was no single method for interpreting qualitative data, an audit trail of the process was kept supporting the study's transferability.

3.9.2 *Credibility*

Sikolia et al. (2013) defined credibility as the extent to which the data collected accurately reflected the multiple realities of the studied phenomenon (Sikolia, Biros, Mason, & Weiser, 2013). In this study, several strategies were employed to enhance the credibility of the qualitative research. Participant checking was conducted on 50% of the sample to validate the findings. Prolonged engagement and persistent observation ensured a deep understanding of the research context.

3.9.3 *Dependability*

Dependability measured reliability, referring to the extent to which a variable or set of variables consistently reflected what it was intended to measure across repeated instances (Sikolia, Biros, Mason, & Weiser, 2013). To ensure reliability, a systematic data analysis process was used that other researchers could apply if they attempted to replicate the study. However, changes in the subjects' circumstances might have affected the ability to replicate the study accurately.

3.10 Ethical considerations

- Research permission letters were completed in line with the university requirements.
- Participants were fully informed about the study’s purpose and procedures before agreeing to participate, and consent was obtained voluntarily.
- Participants' privacy was protected by anonymising and securely storing data to prevent unauthorised access.
- Participants were given the right to withdraw from the study at any time without facing any negative consequences.
- The researcher signed a plagiarism declaration form and provided a Turnitin report to confirm no plagiarism.

CHAPTER 4. PRESENTATION OF FINDINGS

4.1 Introduction

This chapter presents the findings of the study, which explored the adoption of digital payment systems in Soweto. The results are based on data collected through semi-structured participant interviews and analysed using an inductive thematic analysis approach. This method allowed themes and sub-themes to emerge directly from participants' narratives, ensuring that the findings reflect their lived experiences and perceptions without imposing pre-defined categories. The chapter is structured into three key sections. The first section provides an overview of the demographic profile of the participants, offering contextual background on characteristics such as age, employment status, education level, and digital payment usage patterns. Figures are used to present this demographic information visually, enhancing the clarity of the participant context.

The second section outlines the theme development process, describing how initial codes were generated through line-by-line reading of the transcripts, how these codes were refined, and how they were grouped into broader themes and sub-themes. The thematic analysis followed an inductive process where codes were continuously reviewed, merged, or expanded to ensure internal coherence and accurate data representation. This section is supported by visual mind maps that illustrate the relationship between the main themes, sub-themes, and the underlying codes that emerged from the analysis.

The third section presents the thematic findings, structured according to the five research questions that guided the study:

1. How did residents of Soweto perceive the benefits and challenges of adopting digital payment systems in their daily lives?
2. How did infrastructural, economic, and cultural factors influence the willingness of Soweto residents to transition from cash to digital payments?

3. How did residents' experiences with digital payment platforms shape their trust and perceived security in these systems?
4. What role did digital payment systems play in enhancing financial inclusion in Soweto?
5. How did digital payment systems contribute to narrowing the digital divide in Soweto?

For each research question, the findings are organised around the key themes and sub-themes that emerged from the inductive analysis. To support the presentation of these results, thematic summary figures and thematic mind maps are used to visually illustrate the connections between themes, sub-themes, and participant responses. Direct quotations from participants are included throughout to highlight and substantiate the identified themes, ensuring that participant voices remain central to the presentation of the findings.

4.2 Structure of Data Presentation

To ensure transparency and rigour in the presentation of findings, the thematic analysis results were systematically organised into an Excel spreadsheet. This spreadsheet was developed as part of the analytic process to clearly link raw data extracts, initial codes, refined codes, emergent sub-themes, and overarching themes.

Each entry within the spreadsheet corresponds to a specific excerpt from the interview transcripts and contains the following fields:

- Participant ID: A unique anonymised identifier assigned to each interview participant (e.g., P1, P2).
- Transcript Segment: A verbatim or closely paraphrased extract representing a significant data point.
- Initial Code: The preliminary descriptive label assigned during the open coding phase.

- Refined Code: A more analytically focused label resulting from iterative refinement and comparison of codes.
- Sub-theme: A distinct pattern identified within the data, representing a specific aspect of participant experiences or perceptions.
- Main Theme: A broader conceptual category under which sub-themes are grouped, reflecting key dimensions of the research problem.
- Research Question Alignment: The primary research question that each theme and sub-theme addresses ensures analytical coherence with the study's objectives.

This structured spreadsheet enhances the traceability of the analysis by allowing the reader to follow the progression from raw data to analytical interpretation. It also facilitates systematic reporting by ensuring that each research question is comprehensively addressed through participants' voices, thereby strengthening the validity of the study's findings.

4.3 Demographic profile of participants

The participants in this study were aged between 25 and 40, with most in their 30s. The gender distribution was 60% male and 40% female, capturing diverse perspectives on financial decision-making. While men dominated the sample, including women highlighted gender-specific challenges, such as the reliance on cash in informal businesses, which can hinder digital payment adoption.

All participants had bank accounts, and 40% also used mobile money services, indicating a growing shift towards digital payments. However, about half of the participants still relied on cash, demonstrating its ongoing relevance despite the availability of digital alternatives. Employment status also played a significant role in payment preferences. Half of the participants were self-employed and often used cash due to customer preferences and the informal nature of their businesses. In contrast, full-time employees favoured digital payments for

convenience, while the one unemployed participant likely faced financial constraints that restricted access to digital financial services.

Income levels influenced payment choices, with higher-income participants (earning R8001 and above) showing a greater inclination towards digital payments, motivated by financial incentives such as rewards and lower transaction fees. Lower-income participants, on the other hand, tended to rely more on cash due to concerns about transaction costs. Additionally, the fact that 40% of participants did not disclose their income suggested that some may have informal earnings, reinforcing a preference for cash transactions.

Education also emerged as a key factor in digital payment adoption. Most participants (60%) held post-matric qualifications, suggesting they possessed the digital literacy necessary for using mobile payments effectively. In contrast, those with lower education levels faced digital literacy challenges that could limit their ability or willingness to adopt digital financial services. Furthermore, higher education levels were linked to full-time employment, which in turn was associated with greater use of digital payments, as formal employment often facilitates access to banking services and encourages the adoption of digital financial tools.

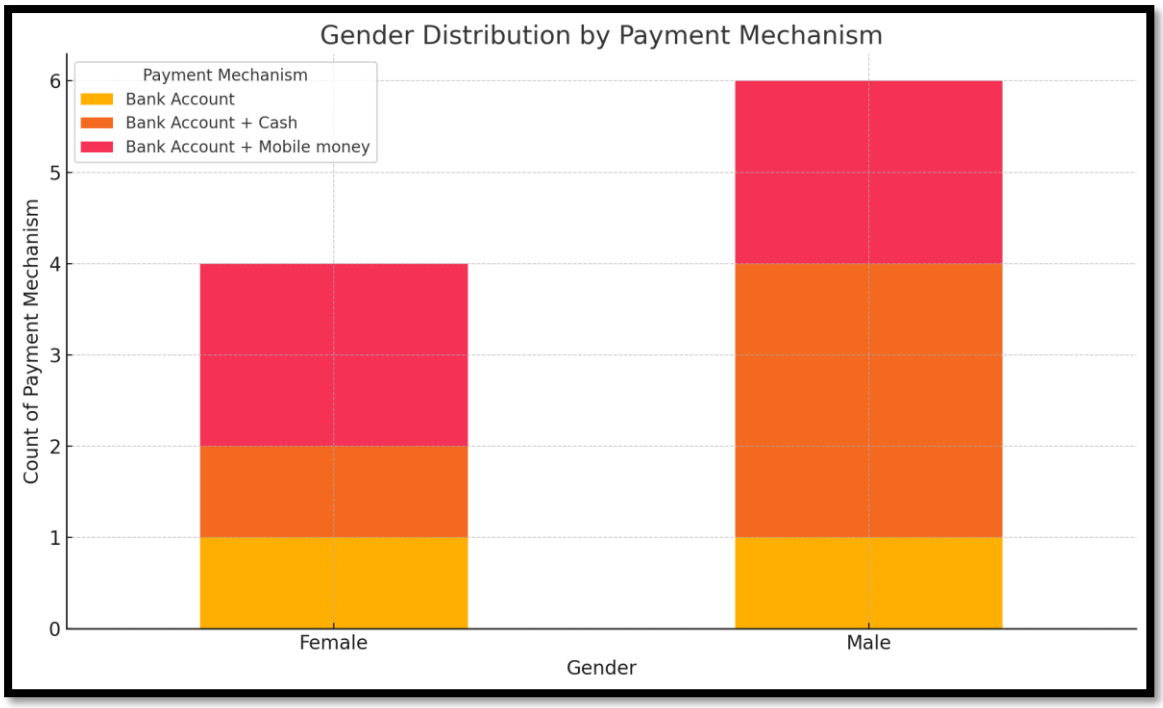


Figure 4-1 Gender Distribution by Payment Mechanism

Figure 4-1 illustrates the distribution of payment mechanism preferences across gender among the participants. Male participants demonstrate a higher reliance on cash-based transactions, as reflected in their greater use of Bank Account + Cash combinations. Conversely, female participants preferred mobile money services, frequently utilising bank account + mobile money mechanisms. This trend suggests that female participants are more likely to embrace digital financial tools, influenced by perceived convenience, safety, and the ability to track transactions easily.

Male participants, who constituted 60% of the sample, often cited concerns related to transaction fees, fraud risks, and limited merchant acceptance of digital payments as reasons for maintaining a preference for cash. On the other hand, female participants (40%) reported higher satisfaction with mobile money services, aligning with broader global patterns where women, particularly in informal business settings, leverage digital payment solutions for enhanced security and business facilitation.

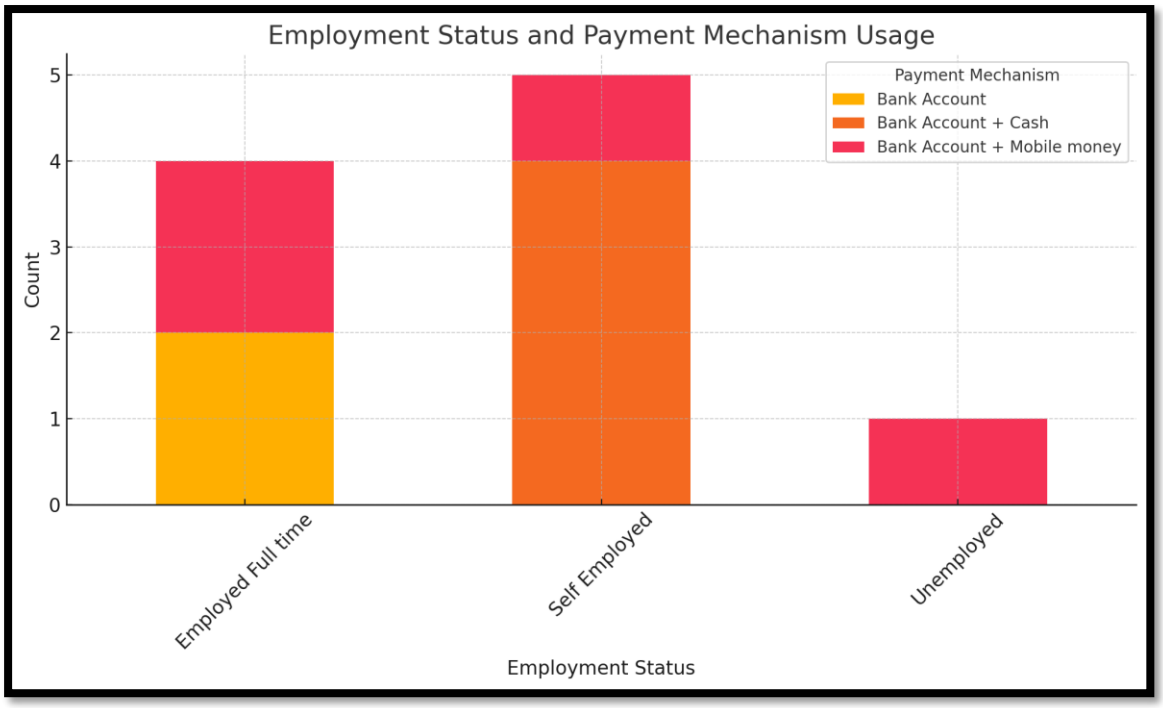


Figure 4-2 Employment Status and Payment Mechanism Usage

Figure 4-2 shows that Self-Employed participants are predominantly using a combination of Bank Account + Cash, indicating a continued reliance on cash transactions due to their informal business dealings and customer preferences. Full-time employed individuals exhibit a balanced use of both Bank Account only and Bank Account + Mobile money, suggesting higher digital payment adoption driven by stable income streams and formal banking engagement. The sole unemployed participant prefers bank account + mobile money, which is likely influenced by ease of access and low transaction amounts. This distribution illustrates that employment status influences payment method preference. Specifically, self-employed individuals lean towards cash inclusion, whereas full-time employed participants demonstrate more engagement with mobile money and digital systems.

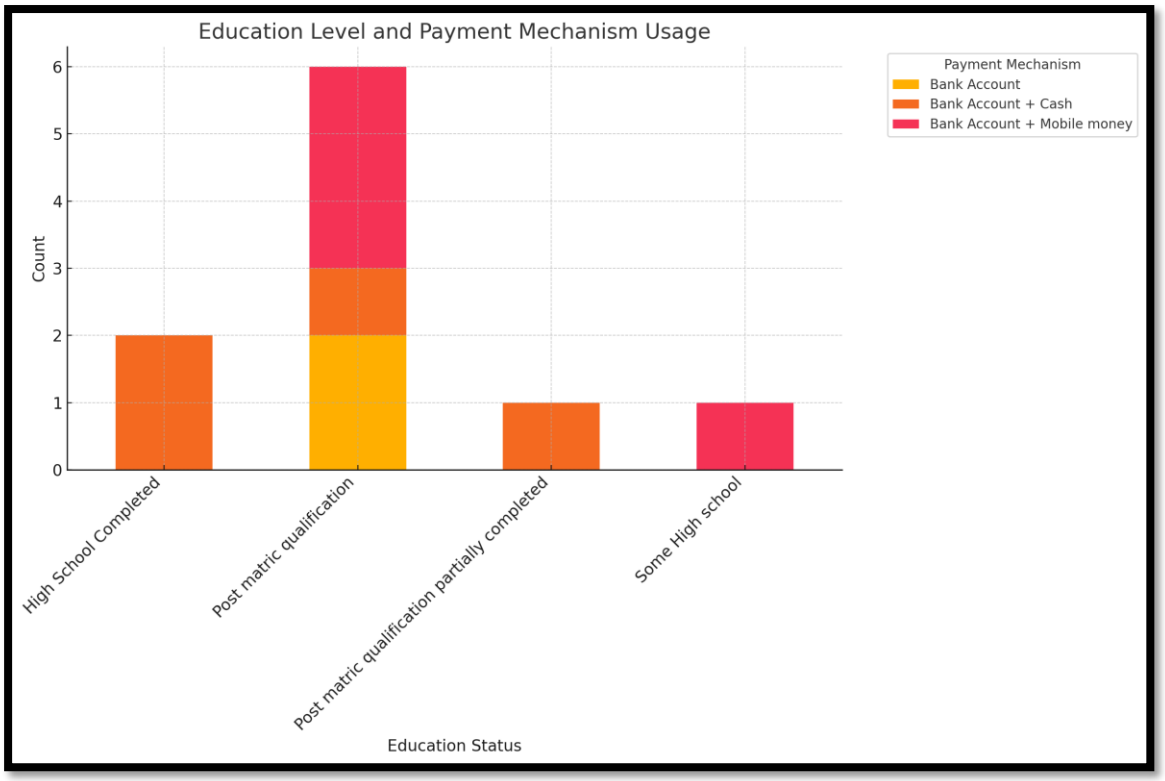


Figure 4-3 Education Level and Payment Mechanism Usage

Figure 4-3 demonstrates that participants with post-matric qualifications show the highest diversity and adoption of digital payment mechanisms. This group is evenly distributed across various payment methods, including Bank Account + Mobile Money, Bank Account only, and Bank Account + Cash, reflecting their higher digital literacy and financial engagement. Participants with only High School Completed or Some High School qualifications tend more toward cash-inclusive payment methods, particularly Bank Account + Cash. Those with incomplete post-matric qualifications similarly lean towards cash-based transactions.

This trend highlights the influence of educational attainment on digital payment adoption. Higher education levels correlate strongly with increased confidence in utilising mobile money and digital payment systems, while lower education levels correspond with continued reliance on cash.

4.4 Theme development

This section describes the process followed for data analysis and theme development in this study. Given the qualitative, exploratory nature of the research, thematic analysis was applied as the primary method to identify, organise systematically, and report patterns within the interview data. The approach followed the guidelines of Braun and Clarke (2021), who reaffirm the relevance of thematic analysis as a flexible yet rigorous method suitable for qualitative inquiry (Braun & Clarke, 2021). An inductive, data-driven approach was employed to ensure that themes emerged directly from the participants' accounts, consistent with the interpretivist paradigm underpinning the study (Nowell, Norris, White, & Moules, 2022)(Nowell et al., 2022). This allowed the analysis to focus on how Soweto residents experience and understand the adoption of digital payment systems in their daily lives.

4.4.1 *Data Familiarisation and Preparation*

The analysis process began with the transcription of the recorded interviews. Audio recordings were transcribed using Otter.ai transcription software and manually reviewed and edited in Microsoft Word to ensure accuracy. In line with best practices for qualitative research (Nowell et al., 2022), the researcher immersed themselves in the data through repeated reading of the transcripts while listening to the recordings. This stage facilitated a deep understanding of the content and helped identify preliminary patterns and ideas for initial coding. Reflective notes were recorded throughout this process to capture emerging observations and to guide the subsequent coding phase.

4.4.2 *Manual Coding and Initial Code Generation*

After data familiarisation, manual coding was conducted using Microsoft Excel to organise and manage the data systematically. The researcher applied line-by-line open coding, identifying significant words, phrases, and repeated ideas

across participants' responses. Following the guidance of Braun and Clarke (2021), initial codes were generated directly from the data without the imposition of pre-defined categories, allowing for flexibility and responsiveness to participant narratives. Throughout this process, codes were continuously refined and adjusted, with similar codes merged and new ones added as additional transcripts were analysed. This iterative approach ensured that the coding framework remained responsive to the data.

4.4.3 *Theme Development and Categorisation*

Once the initial coding was completed across all transcripts', related codes were grouped into broader conceptual categories. These categories were then organised into potential themes and sub-themes. Thematic analysis was conducted using Braun and Clarke's (2021) six-phase approach, which involved familiarisation with the data, generating codes, identifying and refining potential themes, clearly defining and naming them, and ultimately compiling the final report. To support this process, visual aids such as mind maps were employed to organise codes and examine the connections between themes and sub-themes. These visual tools helped ensure that the final themes were distinct, representative of the data, and free from redundancy.

4.4.4 *Reviewing, Refining, and Defining Themes*

The preliminary themes were reviewed for coherence, consistency, and distinctiveness. This involved carefully assessing whether the coded data segments within each theme formed a meaningful pattern, as Nowell et al. (2022) recommended. Themes were refined further by returning to the raw data and verifying the alignment between the participants' statements and the emerging thematic structure. To enhance analytical rigour and trustworthiness, the process incorporated elements of reflexivity, with the researcher critically reflecting on their role in shaping the interpretation of the data (Braun & Clarke, 2019). Sub-

themes were created where needed to capture nuanced aspects within broader thematic categories.

4.4.5 *Presentation of Themes*

The final themes were defined and named to reflect their analytical focus and were aligned with the study's research questions. To improve clarity and accessibility, the findings are presented using thematic summary figures, visual mind maps, and direct participant quotations. These visual aids were employed to show the relationships between the main themes, sub-themes, and supporting codes, in line with recent recommendations for enhancing transparency in qualitative research reporting (Bryman, 2021). Incorporating direct quotes from participants in the findings helps keep their perspectives at the forefront of the analysis, providing deeper insight into the underlying factors influencing digital payment adoption in Soweto.

Following the refinement and consolidation of themes during the final stages of thematic analysis, seven main themes emerged that encapsulate the participants' perceptions and experiences with digital payment systems in Soweto. These themes reflect enabling and constraining factors, providing insight into the multifaceted nature of digital payment adoption in township contexts. To illustrate the relative prominence of these themes across the dataset, Figure 4-4 below presents a visual summary of theme frequency. This representation highlights how often each main theme was referenced across all participant interviews (N = 10). It offers a macro-level overview of dominant concerns and perspectives, providing a useful foundation for the detailed presentation of findings in subsequent sections.

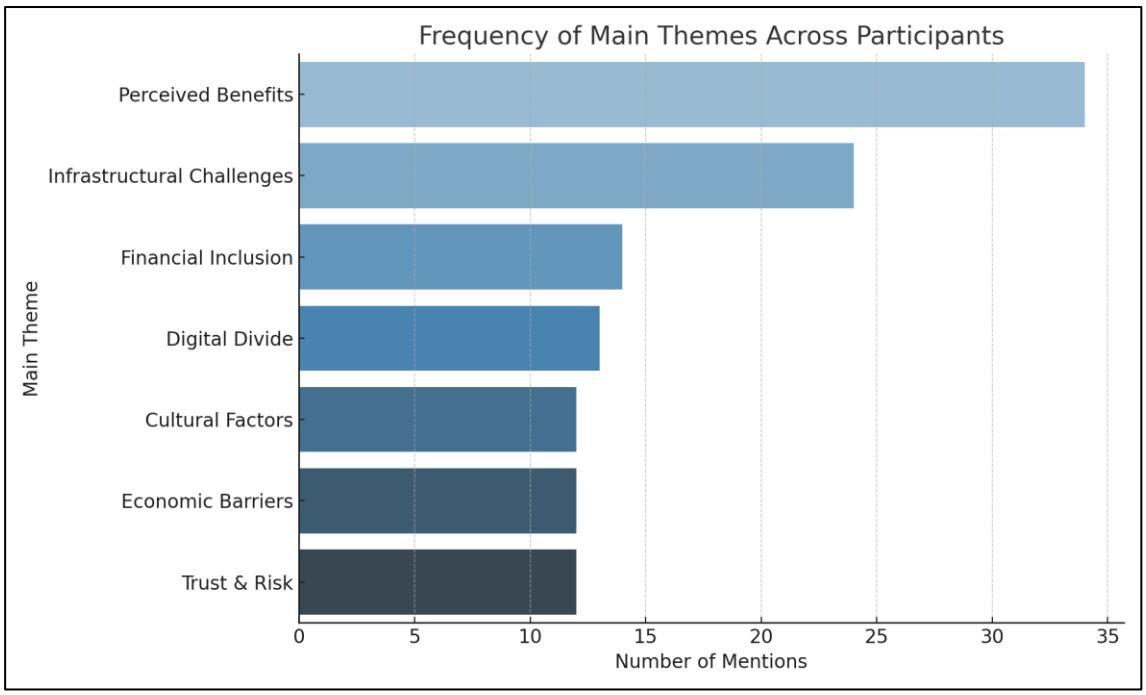


Figure 4-4 Frequency of main themes across participant interviews

Figure 4-4 shows that Perceived Benefits emerged as the most frequently cited theme. Participants consistently highlighted convenience, safety, time-saving advantages, and financial empowerment associated with digital payment usage. This was followed closely by Infrastructural Challenges, which encompassed issues such as load-shedding, unreliable network connectivity, and the limited availability of Point-of-Sale (POS) systems in key sectors like public transport and informal retail. Themes such as Financial Inclusion and Digital Divide also featured prominently, pointing to both progress and persistent inequalities in access to and proficiency with digital platforms. Meanwhile, Cultural Factors and Economic Barriers revealed important contextual dimensions, such as entrenched cash practices and high data costs, that continue to shape payment choices in the community. Lastly, although Trust and Risk were mentioned less frequently, they represented a critical concern among some participants who expressed fear of fraud, unauthorised transactions, and dissatisfaction with customer support. These themes serve as the organising structure for the results presented in the following sections, which are arranged in alignment with the five research questions of this study.

4.5 Findings pertaining to Research Question 1

4.5.1 *Perceptions of Benefits and Challenges of Digital Payment Systems*

Participants' perceptions of digital payment systems revealed a nuanced balance between optimism about the potential benefits and reservations shaped by lived realities. While many respondents acknowledged that digital payments introduced greater convenience, security, and financial flexibility into their lives, these advantages were often tempered by barriers such as transaction fees, limited-service availability, and entrenched cash-based practices. The findings suggest that while awareness and exposure to digital technologies are growing, actual adoption is moderated by contextual factors including socio-economic conditions, infrastructure reliability, and cultural preferences. These dual perceptions formed the basis for two dominant thematic categories—*Perceived Benefits* and *Perceived Challenges*—each comprising a range of sub-themes that collectively reflect the opportunities and limitations experienced by Soweto residents in their day-to-day engagement with digital financial tools.

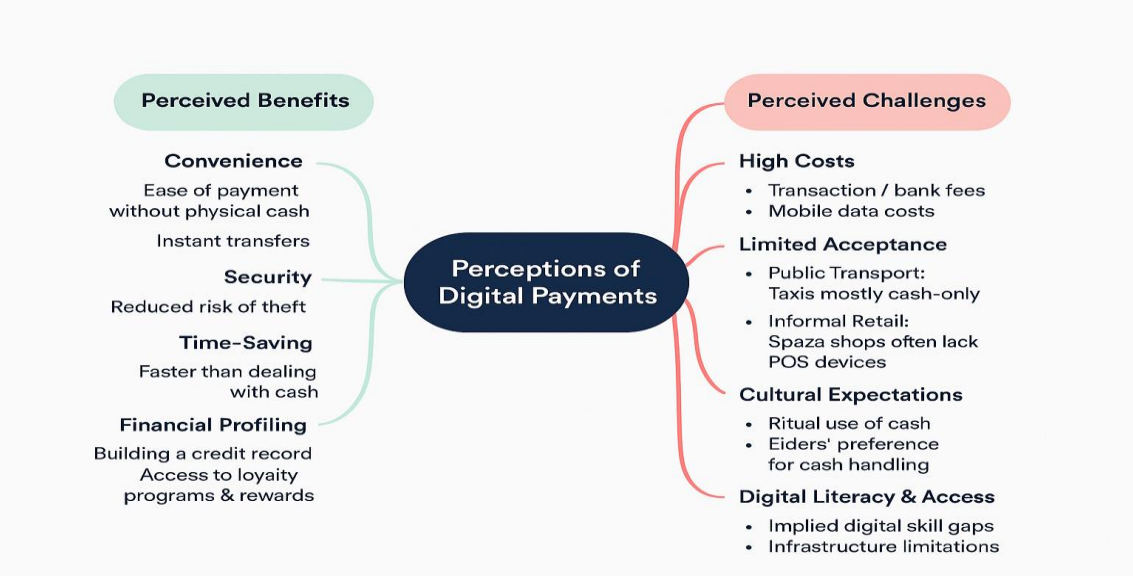


Figure 4-5 Perceptions of Digital Payments

Figure 4-5 above presents a conceptual mind map that summarises participants' dual perceptions of digital payment systems, drawing a clear contrast between perceived benefits and challenges. This visual representation consolidates key sub-themes from the interview data, offering an at-a-glance understanding of the factors shaping adoption decisions in Soweto. On the left, participants identified several benefits contributing to digital payments' growing appeal. This included convenience, characterised by the ease of making transactions without physical cash; *instant transfers*, which enhanced both speed and safety; and *timesaving*, as digital options allowed users to bypass long queues. Additionally, *financial profiling* was viewed as an enabler, with some participants noting the value of building a credit record and gaining access to loyalty programs or rewards.

On the right, participants also shared substantial concerns. *High costs*, including transaction fees and mobile data expenses, were frequently mentioned deterrents, particularly for small transactions or low-income users. *Limited acceptance* of digital payments in public transport and informal retail (e.g., spaza shops) posed practical limitations to cashless living. *Cultural expectations* also played a significant role, with many older community members expressing a preference for cash and traditional rituals requiring physical money. Finally, issues around *digital literacy and access*, such as skill gaps and infrastructure limitations, further constrained full adoption.

This mind map underscores the complex, context-specific realities that shape digital payment usage in South African township settings. It highlights the simultaneous presence of optimism and caution, illustrating why adoption remains uneven despite the apparent benefits.

4.6 Findings pertaining to Research Question 2

4.6.1 *Influence of Infrastructural, Economic, and Cultural Factors*

A combination of infrastructural, economic, and cultural influences shaped Soweto residents' willingness to transition from cash-based to digital payment systems. In response to Research Question 2, these were identified as the three overarching themes. Figures 4-6 present a visual mind map of these key themes and their associated sub-themes as they emerged from the interview data.

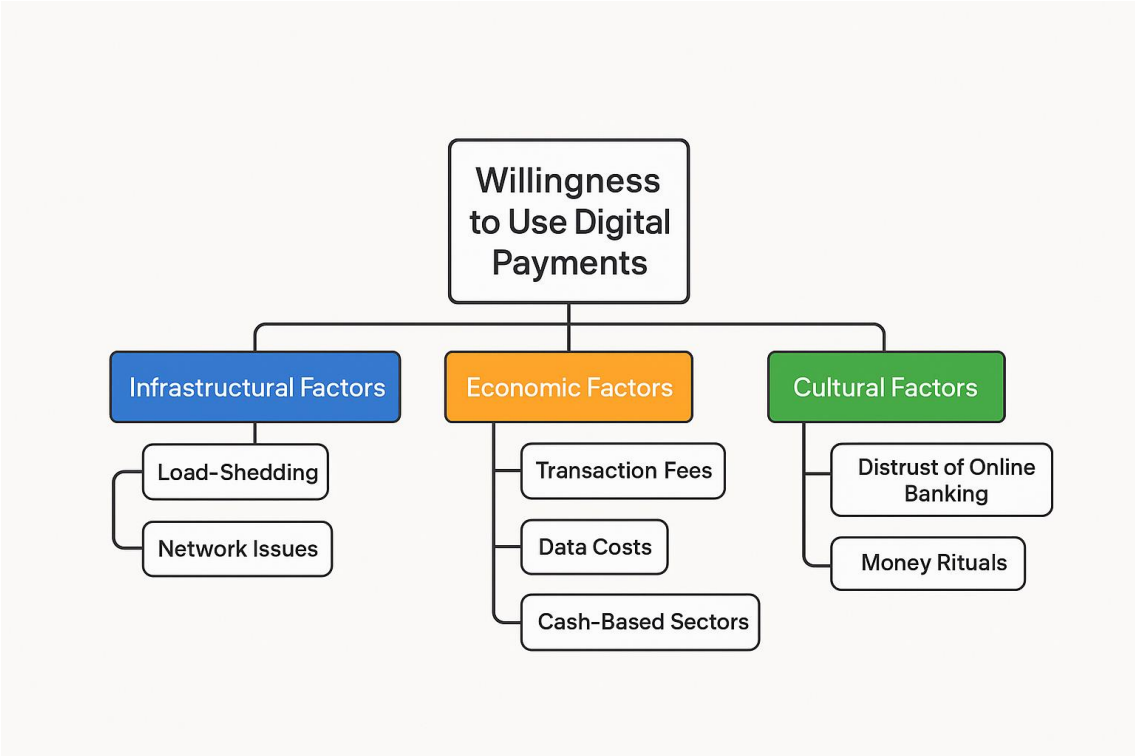


Figure 4-6 Factors influencing willingness to use digital payments

4.6.1.1 Infrastructural Factors

Two core sub-themes emerged under infrastructural constraints: load-shedding and network issues. Participants expressed frustration at being unable to complete digital transactions during power outages or periods of weak mobile

connectivity. These disruptions made digital payments appear unreliable for day-to-day use.

> ***"When there's no electricity or the network is slow, using apps becomes frustrating"*** **(P4).**

This finding aligns with the work of Ediagbonya and Tiowulani (2023), who noted that infrastructure gaps such as unstable electricity and poor connectivity disproportionately affect digital adoption in township economies.

4.6.1.2 Economic Factors

Three economic sub-themes were consistently mentioned: transaction fees, data costs, and the cash-based nature of key sectors. First, transaction costs—especially for small-value purchases—were seen as prohibitively high.

> ***"If you earn very little, there wouldn't be much need for digital payments because you're more affected by bank charges"*** **(P7).**

Second, mobile data expenses were cited as a hidden cost that discouraged frequent use:

> ***"The data for these apps runs out fast, and it's expensive"*** **(P10).**

Third, participants pointed to the persistent need to carry cash for sectors that had not yet adopted digital payments, especially public transport.

> ***"I still have to carry cash for taxi fares because most taxis don't accept digital payments"*** **(P5).**

These findings mirror Appiah et al. (2022) and Senyo and Osabutey (2020), who observed that affordability and sectoral gaps are significant barriers to financial inclusion in informal economies.

4.6.1.3 Cultural Factors

Under cultural factors, two sub-themes were dominant: distrust of digital banking and ritual obligations involving cash.

Some participants expressed intergenerational differences in trust, especially among older family members.

> ***"My mom still asks for cash because she doesn't trust these online systems"*** **(P2).**

Others referenced traditional practices that required cash to be brought home for ceremonial purposes:

> ***"In our family, it's important to bring money home to the shrine first for blessings before using it; so digital payments don't fit well with that"*** **(P6).**

These observations reflect Van Dijk's (2013) relational theory, which emphasises that technology adoption is influenced by broader social and cultural structures, not merely individual access. Together, these infrastructural, economic, and cultural barriers show that digital payment adoption in Soweto is not solely a matter of individual preference or device access. Rather, it is a product of intersecting systemic constraints that continue to shape digital behaviours in low-income township settings. Addressing these barriers will be essential for policymakers and service providers aiming to expand digital financial inclusion.

4.7 Findings pertaining to Research Question 3

4.7.1 *Trust and Perceived Security in Digital Payment Platforms*

Trust emerged as a critical factor in shaping participants' decisions to adopt or reject digital payment platforms. Participant responses revealed a dual perspective: while some experiences reinforced trust in digital platforms, others raised serious concerns that undermined confidence and discouraged continued use. As illustrated in Figure 4-7, the thematic analysis of trust-related issues was organised into two main dimensions: factors that promoted trust and those that undermined it.

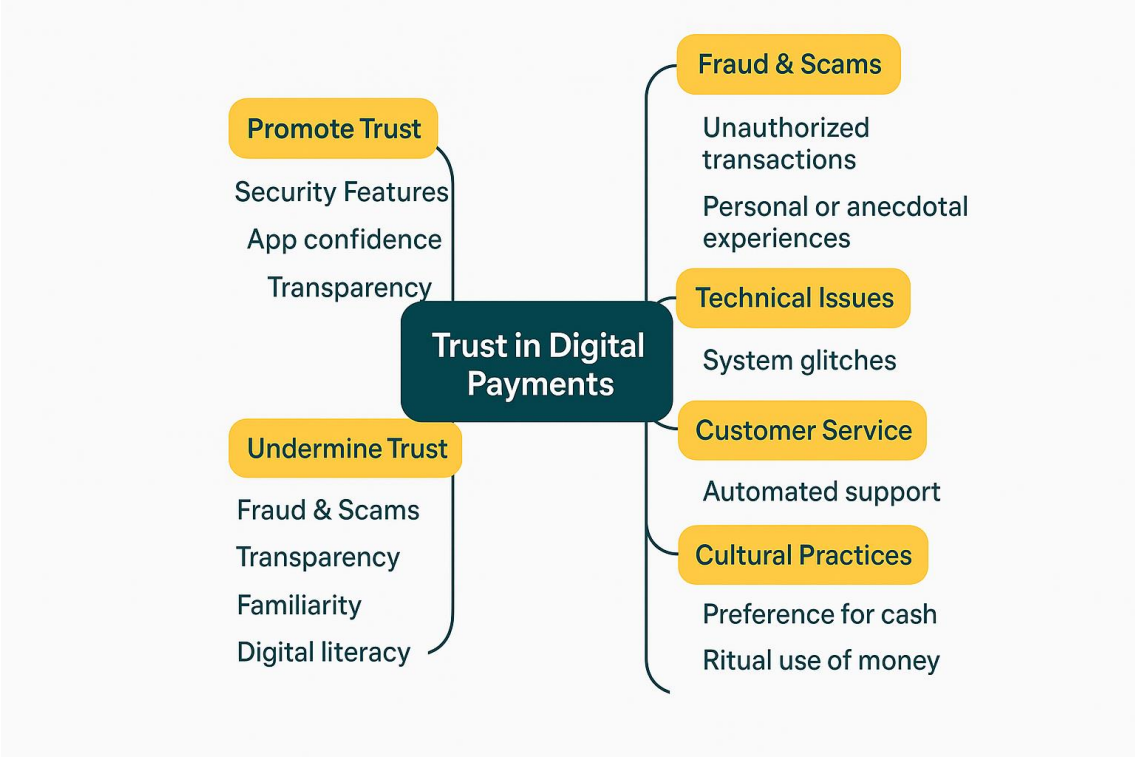


Figure 4-7 Factors influencing trust in digital payments

4.7.1.2 Factors that Promoted Trust

Participants frequently cited security features, transparency, and confidence in app functionality as contributing to a sense of control and assurance when using digital payment systems.

> ***"I trust using the app because everything is recorded—you can always see where your money went"*** **(P3).**

Access to transaction history and two-factor authentication were particularly valued, contributing to transparency and a perception of safety. These findings align with Demirgüç-Kunt et al. (2022), who argue that increased visibility and traceability of digital transactions enhance user confidence.

Some participants also reported that frequent use of apps over time contributed to growing familiarity and trust:

> ***"The more you use it, the more you get used to it. You start realising it's actually quite safe"*** **(P5).**

4.7.1.3 Factors that Undermined Trust

Despite these positive accounts, many participants expressed distrust, stemming from multiple sub-themes: fraud, system issues, poor customer support, and cultural attachments to cash.

The fear of fraud and scams was a dominant concern. For some, this stemmed from personal experience; for others, from stories shared within the community:

> ***"I know someone whose money was withdrawn without their permission, so they don't trust banking apps"*** **(P1).**

This aligns with Linn's (2022) findings, who emphasised that digital fraud—whether experienced directly or vicariously—can rapidly erode public trust in financial technology.

Participants also mentioned technical glitches that disrupted transactions and caused frustration.

> ***"Sometimes the app just freezes or takes long. You don't know if the money went through"*** **(P6).**

Equally troubling was the lack of responsive customer service, particularly when interacting with automated chatbots or call centre queues.

> ***"My main issue is with customer service—when I have a problem, I end up speaking to a chatbot instead of a human"*** **(P4).**

Finally, cultural practices and generational norms contributed to scepticism, particularly among older family members:

> ***"My parents still prefer cash, and they don't trust digital banking"*** **(P2).**
>
> ***"In my family, cash must go to the shrine first. You can't do that with digital money"*** **(P8).**

These responses support Van Dijk's (2013) theory that technology adoption is influenced not only by infrastructure and skills but also by deeply embedded social and cultural relationships. Overall, the analysis highlights that trust in digital payment systems is not binary but exists along a continuum shaped by security features, personal experiences, and cultural context. While some participants gained confidence through regular use and transparent records, others remained sceptical due to fraud risks, system unreliability, and inadequate support channels. These findings suggest that strengthening digital financial platforms' technical reliability and social responsiveness is essential to building sustainable trust in township communities.

4.8 Findings pertaining to Research Question 4

4.8.1 *Role of Digital Payments in Financial Inclusion*

The interview findings revealed that digital payment systems contributed meaningfully to financial inclusion for many Soweto residents, especially among the younger and digitally engaged. However, this progress remained uneven due to persistent affordability, literacy, and cultural barriers. As shown in Figure 4-8, the thematic analysis was organised around two key dimensions: factors that enhanced inclusion and factors that hindered it.

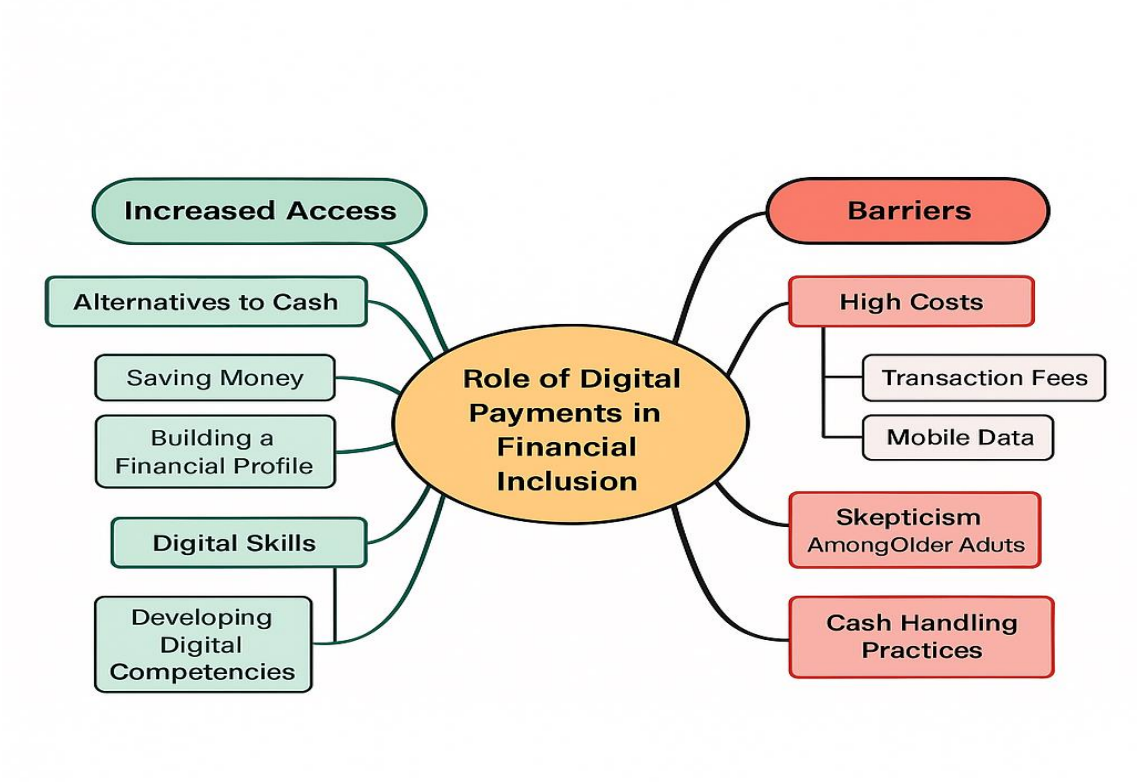


Figure 4-8 Role of digital payments in financial inclusion

4.8.1.1 Increased Access through Digital Payments

Participants described how digital platforms provided a viable alternative to cash, offering safer, faster, and more efficient transaction methods.

> ***"I don't carry cash anymore, it's risky. I just use my phone or card now"*** **(P6).**

Several participants noted that digital payments made it easier to save money and avoid the temptation of spending physical cash:

> ***"Having a banking app helped me start saving. I can keep money without withdrawing it"*** **(P3).**

Importantly, some participants highlighted how using digital payments helped them build a financial profile, giving them a traceable history that could later support access to credit or loans.

"If you don't have transaction records, it's hard to get a loan or funding" **(P4).**

In addition to financial access, participants reported that frequent use of mobile banking and payment apps contributed to developing digital skills. This growing competence enhanced their confidence in managing financial tools, aligning with Van Dijk's (2013) assertion that digital inclusion is a process of gradual engagement that narrows both the digital and financial divide.

"I didn't know how to use the apps before, but now it's normal for me. I can do things on my own" **(P8).**

4.8.1.2 Barriers to Inclusion

Despite these positive developments, several barriers continued restricting broader digital financial inclusion. The most frequently cited were high costs related to transaction fees and mobile data:

***"Sometimes I avoid using the app because the data or charges are just too much"* (P7).**
***"Bank charges make it hard for people who earn little. It's better to use cash"* (P9).**

In addition, intergenerational scepticism was a common theme. Many older adults remained hesitant to adopt digital platforms, often preferring the familiarity and perceived control of physical cash:

> ***"My parents say cash is real and safer. They don't trust apps"* (P2).**

This scepticism was compounded by deep-rooted cash handling practices, especially for cultural and household purposes, such as money rituals or grant collection:

> ***"Most people still go to the ATM and withdraw everything in cash"* (P10).**

These barriers highlight the need for not only technological access but also social acceptance and cultural sensitivity when designing digital inclusion strategies. Overall, the findings confirm that digital payments have the potential to expand financial inclusion by offering cash alternatives, promoting saving behaviour, supporting financial profiling, and developing digital competencies. However, this potential is constrained by affordability issues, generational mistrust, and enduring cultural practices. The dual nature of these findings underscores the importance of tailored interventions that address both technical barriers and social norms, as recommended by Senyo and Osabutey (2020) and Odei-Appiah et al. (2022).

4.9 Findings pertaining to Research Question 5

4.9.1 *Role of Digital Payments in Digital Divide*

The findings revealed that digital payment systems have played a nuanced role in addressing dimensions of the digital divide in Soweto. While these platforms offered tangible opportunities for access, inclusion, and skill development, the benefits were not uniformly experienced. Figure 4-9 shows that the thematic analysis identified four key themes relating to this research question: Access Expansion, Digital Skills Development, Financial Inclusion Enablers, and Barriers due to Generational and Economic Constraints.

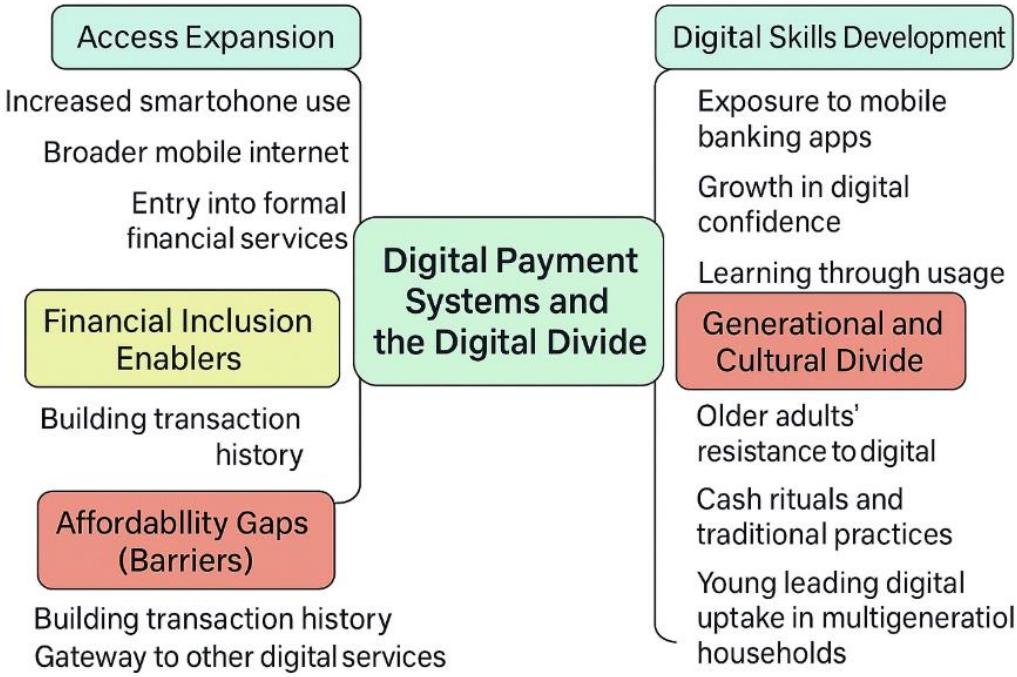


Figure 4-9 Digital Payment Systems and the Digital Divide

4.9.1.1 Access Expansion

Participants described how access to digital payment systems was often facilitated through increased smartphone usage, broader mobile internet access,

and integration into formal financial systems. For many, digital payments served as their first consistent interface with the digital economy.

"I started using banking apps because I wanted to avoid queues. Now I just do everything from my phone" **(P6).**

This shift marks a departure from cash-based dependence, enabling users to engage in formal transactions and access basic financial services through mobile platforms. These findings support prior research by Demirgüç-Kunt et al. (2022), which linked mobile-based finance to broader digital participation in low-income settings.

4.9.1.2 Digital Skills Development

Another important dimension of digital inclusion was the growth of digital competence through regular interaction with mobile apps. Participants who initially lacked confidence reported becoming more digitally literate as they learned through usage.

"I didn't know how to use it before, but now I help my mother with it. It becomes easy with time" **(P8).**

Digital literacy, in this context, evolved informally and organically. For younger users, exposure to mobile banking tools provided both a functional service and a learning experience. This supports Van Dijk's (2013) theory that digital engagement is relational and developed over time through exposure and social learning over time.

4.9.1.3 Financial Inclusion Enablers

Digital payments also played a key role in building transaction histories**,** supporting savings**,** and offering a gateway to other digital financial services**.**

Participants shared how using apps made them more conscious of spending patterns and allowed them to begin saving consistently.

***"Because I have the records, I've started applying for credit. I couldn't do that before"* (P4).**

Such engagement contributes to long-term inclusion by formalising behaviours traditionally excluded from the banking system.

4.9.1.4 Barriers: Affordability and Cultural Division

Despite these gains, the findings revealed two significant barriers: affordability and intergenerational resistance. Participants highlighted the cost of data and banking fees as limiting factors that excluded lower-income individuals from fully adopting digital tools.

***"Sometimes the data is more than what you are sending. It's not practical for small amounts"* (P7).**

Additionally, generational and cultural factors perpetuated the divide, particularly among older adults who resisted the shift to digital due to mistrust or tradition.

***"My mom still tells me to bring cash for things like groceries or ceremonies"* (P2).**

These responses reflect the persistent cultural expectations that hinder full digital integration in multigenerational households. Digital payment systems have contributed meaningfully to narrowing the digital divide in Soweto by improving access, strengthening digital skills, and promoting financial inclusion. However, this progress remains fragmented due to enduring affordability issues and cultural resistance, especially among older adults. These findings reaffirm that bridging the digital divide requires more than technological deployment—it must address structural, economic, and sociocultural dynamics that shape access and usage.

4.10 Conclusion

The findings presented in this chapter offer a comprehensive account of the lived experiences and perspectives of Soweto residents regarding the adoption and use of digital payment systems. Drawing on data from ten in-depth interviews, the analysis revealed a complex landscape shaped by individual, infrastructural, economic, and cultural dimensions. The demographic profile of participants—predominantly youth between the ages of 25 and 40, with varying levels of education and employment—provided insight into the intersection of digital readiness and economic vulnerability. This demographic context was essential in understanding patterns of digital engagement and resistance across different segments of the population.

Themes were developed through a rigorous process of manual coding and inductive thematic analysis, which yielded a set of key patterns aligned to the study's five research questions. Across these questions, the findings illuminated both the enabling and constraining forces at play in the digital payments' environment. While digital payment systems were widely perceived as convenient, secure, and empowering—particularly among younger, digitally literate users—challenges such as transaction fees, infrastructural unreliability, and cultural expectations around cash remained significant barriers to widespread adoption.

The results showed that perceived benefits such as reduced theft risk, ease of tracking spending, and access to formal financial tools encouraged digital payment usage. However, economic constraints (e.g., high data costs), infrastructural issues (e.g., load-shedding and poor connectivity), and sector-specific limitations (e.g., informal transport and retail operations) curtailed the transition away from cash. Cultural and generational practices, including mistrust of banking systems and traditional rituals involving money, further influenced behaviour.

Trust and perceived security were identified as pivotal in adoption decisions, with participants valuing transparency and control, yet expressing concerns over fraud, customer service limitations, and system reliability. Importantly, the findings also demonstrated that digital payment systems have begun to enhance financial inclusion and digital competence, particularly by offering alternatives to cash, supporting financial profiling, and fostering digital skills through regular use. Nevertheless, the digital divide persists—reinforced by affordability issues and cultural norms—which continue to limit equitable access and participation.

In summary, the chapter highlighted a dual reality: digital payment systems are fostering new forms of financial inclusion and digital engagement in Soweto, while simultaneously being constrained by systemic and socio-cultural barriers. These insights form the foundation for the critical discussion that follows in Chapter 5, where the results are positioned within the broader scholarly discourse and literature on digital adoption, financial inclusion, and the digital divide.

CHAPTER 5. DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter discusses the findings of the study in relation to the literature and the conceptual framework outlined in Chapter 2. It explicitly engages with the two propositions developed for this research: Proposition 1, which identifies the drivers and barriers shaping digital payment adoption, and Proposition 2, which emphasises the role of tailored solutions in advancing financial inclusion and bridging the digital divide. The discussion is situated within the context of Soweto, a South African township, and builds on the thematic results presented in Chapter 4. These findings are interpreted through the analytical lenses of the Technology Acceptance Model (TAM) and Van Dijk's Resources and Appropriation Theory (RAT), providing a deeper understanding of digital payment adoption and digital inclusion in this setting. These frameworks provide insight into how individual perceptions, digital skills, socio-economic conditions, and structural inequalities influence the adoption and use of digital payment systems in low-income, digitally underserved communities. In line with the structure of Chapter 4, this chapter is organised around the five original research questions to ensure coherence and maintain a consistent analytical thread. Section 5.2 revisits the demographic profile of participants to contextualise their engagement with digital technologies. Sections 5.3 to 5.7 each correspond to one of the research questions, integrating participant narratives with existing literature and theory.

I. Section 5.3 explores how Soweto residents perceived the benefits and challenges of digital payments, highlighting factors such as convenience, perceived risk, affordability, and cultural preferences.
II. Section 5.4 examines the influence of infrastructural, economic, and cultural conditions on residents' willingness to transition from cash to digital payments.

III. Section 5.5 analyses how trust and perceived security—both positively and negatively influenced by past experiences—shaped adoption behaviour.
IV. Section 5.6 discusses the role of digital payment systems in promoting financial inclusion, particularly in relation to access, usage, and barriers among marginalised users.
V. Section 5.7 evaluates the contribution of digital payments toward narrowing the digital divide, considering themes of access expansion, skills development, and ongoing socio-economic and generational disparities.

5.2 Demographic profile of respondents

Although a detailed account of participants' demographic information was provided in the findings chapter, it is important to revisit and discuss selected demographic characteristics here, as they are materially relevant to understanding the patterns of digital payment adoption observed in the study. Specifically, age, employment status, education level, and digital experience influenced respondents' motivations, confidence, and capacity to engage with digital payment systems in Soweto. A predominant portion of participants were young adults aged between 25 and 35. Respondents in this age group generally demonstrated greater familiarity with mobile apps and contactless payment methods, often citing convenience, flexibility, and peer influence as motivating factors. This behaviour aligns with the Technology Acceptance Model (TAM), which associates younger users with higher levels of perceived ease of use and perceived usefulness due to greater exposure to and comfort with digital technologies (Venkatesh & Davis, 2000). In contrast, older participants or those with limited digital exposure tended to report hesitation in using digital platforms. Their reluctance was typically linked to a lack of digital skills, uncertainty about security, and fear of making transactional errors—barriers that correspond with heightened perceived risk and diminished behavioural control, which are known to impact technology adoption negatively.

Employment status also influenced adoption behaviour. Unemployed participants or those working informally often lacked access to consistent internet services and digital banking tools. Moreover, concerns about transaction fees and mobile data costs discouraged regular usage of digital platforms. These findings reflect the cost-related structural barriers identified by Van Dijk in his Resources and Appropriation Theory (RAT). According to this, digital inequality is not just a matter of device access. Still, it is deeply rooted in the interaction between personal resources (such as skills, income, and motivation) and structural conditions (such as infrastructure and affordability). In this context, the digital divide was evident not only in terms of access to smartphones or POS devices but also in disparities in digital capabilities and the perceived relevance of digital payments for day-to-day life.

Education level further shaped participants' ability and willingness to adopt digital payment systems. Those with tertiary education generally exhibited more confidence when engaging with digital platforms, understood financial terminology more clearly, and managed app-based transactions more competently. This observation reinforces the importance of digital literacy as a foundational enabler of meaningful technology use. It supports Van Dijk's (2020) assertion that digital inclusion depends on both technical (operational) and strategic (goal-oriented) digital competencies. Reports have also shown that limited digital literacy remains a widespread barrier to financial inclusion, particularly in lower-income and informally educated segments of the population (GSMA, 2023; FinMark Trust, 2022).

Taken together, these demographic insights underscore that the adoption of digital payments in Soweto is shaped by individual attitudes and preferences and broader socio-economic realities. When viewed through the dual lenses of TAM and RAT, the findings confirm that successful adoption is contingent upon both psychological enablers (such as perceived ease and usefulness) and structural enablers (such as affordability, digital skills, and physical access). These results reinforce the importance of designing contextually sensitive interventions that

address both the motivational and infrastructural aspects of the digital divide in South African township communities.

5.3 Discussion of findings pertaining to research question 1

How did residents of Soweto perceive the benefits and challenges of adopting digital payment systems in their daily lives?

The findings confirmed that Soweto residents hold dual perceptions of digital payment systems, reflecting both optimism and caution. This duality was captured through the themes of Perceived Benefits and Perceived Challenges, which emerged inductively from participants' narratives. Participants widely valued digital payments for their convenience, speed, and security, aligning with the TAM construct of Perceived Usefulness (PU) (Davis, 1989). For example, respondents highlighted benefits such as avoiding queues, accessing transaction histories, and reducing the risk of theft. These perceptions echo findings by Teo et al. (2020), who identified convenience as a central driver of mobile payment uptake.

However, barriers such as transaction fees, poor service integration, and digital literacy gaps were equally prominent. These constraints represent both Perceived Risk and Perceived Ease of Use (PEOU) challenges in TAM terms (Venkatesh & Davis, 2000). These insights directly support Proposition 1, which identifies perceived usefulness and ease of use as key drivers of adoption, while also recognising perceived risk, transaction fees, and internet costs as significant barriers.

Additionally, cultural preferences for cash, especially in traditional or family contexts, complicated adoption. One participant noted the requirement to bring money to the shrine for blessings, a practice incompatible with digital transactions. This selective and situational use of digital payments confirms Van Dijk’s (2020) assertion that digital adoption is shaped by both motivational and material resources, including social norms and access to support. Even when

digital systems were available and understood, social rituals, affordability, and merchant limitations led many to retain cash as their default. Thus, the adoption process in Soweto is not linear but reflects a hybrid engagement model that extends TAM by incorporating sociocultural factors.

5.4 Discussion of findings pertaining to research question 2

How did infrastructural, economic, and cultural factors influence the willingness of Soweto residents to transition from cash to digital payments?

Three key themes; Infrastructural Barriers, Economic Constraints, and Cultural Factors, directly influenced the willingness of participants to adopt digital payment systems. Under infrastructure, unreliable electricity (load-shedding) and poor mobile network connectivity were consistent inhibitors. These findings align with Ediagbonya and Tiowulani (2023), who emphasized infrastructure's pivotal role in digital readiness, especially in low-income areas. While smartphones and apps were available, systemic disruptions limited effective use, confirming Van Dijk's (2020) view that access without reliability impairs functional adoption.

Economic barriers, especially transaction fees and mobile data costs, were the most cited obstacles. For low-income users, digital platforms were seen as financially burdensome, which undermined their value. These findings extend RAT by showing how economic capital interacts with motivational access to constrain digital engagement. Culturally, participants referenced both mistrust in digital platforms and the symbolic importance of cash in traditional practices. Digital platforms were viewed by some as alien to township life, with older generations preferring cash due to historical familiarity and ritual obligations. This supports Van Dijk's theory that social and cultural environments shape the appropriation of digital tools. This discussion further aligns with Proposition 1, as it demonstrates how demographics, economic conditions, and cultural factors shape motivation and digital skills, reinforcing their role as contextual enablers or

barriers to adoption. Taken together, these themes show that even in the presence of digital infrastructure, adoption is moderated by cost structures, cultural fit, and the perceived reliability of the systems.

5.5 Discussion of findings pertaining to research question 3

How did residents' experiences with digital payment platforms shape their trust and perceived security in these systems?

Trust in digital payment platforms emerged as both a facilitator and barrier to adoption. The study found that participants' trust levels were dynamic and experience-based, structured around two sub-themes: Trust Enablers and Trust Inhibitors. Enablers included security features (like two-factor authentication), transparent transaction records, and growing familiarity through use. Participants like P3 highlighted the reassurance of having a visible transaction trail. These attributes enhanced users' Perceived Control, which Sahi et al. (2021) note is essential for building digital trust. This trust often developed gradually, through peer influence or repeated success with digital tools, supporting the idea of social learning (Van Dijk A. , 2020).

However, many users still expressed distrust, citing fraud experiences, technical issues, and poor customer support. These issues reinforced feelings of vulnerability, particularly among older or less digitally literate users. P4's frustration with chatbots illustrates how inaccessible support mechanisms can erode confidence. These concerns resonate with Linn (2022), who found that technical errors and fraud risks are significant deterrents in low-trust environments. Notably, cultural norms also intersected with trust. This reflects Van Dijk's insight that trust is relational, grounded in shared norms, and not merely a product of platform design. These findings strengthen Proposition 1, illustrating how trust and confidence in digital platforms interact with individual perceptions to influence behavioural intention and adoption. Thus, the study

extends TAM by showing that Perceived Security is shaped by both technological reliability and user experiences within their social context. Trust is not a static prerequisite for adoption, it is an evolving outcome of system interaction and community discourse.

5.6 Discussion of findings pertaining to research question 4

What role did digital payment systems play in enhancing financial inclusion in Soweto?

Digital payment systems played a dual role in promoting financial inclusion—both as enablers and, in some contexts, as limited-access tools. Two major themes structured this analysis: Inclusion Enablers and Inclusion Barriers. In terms of enablers, participants described how digital platforms offered alternatives to traditional banking, especially for those without time or access to branches. Mobile apps supported saving habits, expense tracking, and even building a financial profile, important steps toward broader financial participation (Demirgüç-Kunt et al., 2022). These developments reflect the “usage access” dimension of Van Dijk’s RAT, whereby digital tools become embedded in life practices.

Moreover, participants reported that using these platforms helped build digital competencies, echoing findings by Odei-Appiah et al. (2022) that financial tools can serve as gateways to broader digital inclusion. Participants like P8 noted learning through trial-and-error, demonstrating the importance of informal learning pathways. Nevertheless, barriers remained. Transaction fees, data costs, and limited digital acceptance in informal retail and transport restricted daily usage. Participants also highlighted intergenerational resistance, older adults distrusted the platforms and preferred physical cash for day-to-day requirements and household budgeting. These constraints support Van Dijk’s claim that access is not enough, meaningful inclusion requires skills, motivation, and cultural alignment. This analysis reflects Proposition 2, which suggests that tailored and affordable digital payment solutions can promote financial inclusion

by reducing cash dependency and expanding participation in formal financial systems. This study advanced the literature by showing that inclusion was partial and uneven, particularly among lower-income or older residents. While some users progressed toward digital financial empowerment, others remained on the margins due to affordability and relevance gaps. Hence, financial inclusion via digital payments is best understood as a continuum, not a binary state.

5.7 Discussion of findings in relation to research question 5

How did digital payment systems contribute to narrowing the digital divide in Soweto?

Digital payment systems contributed to narrowing the digital divide by improving access and exposure to digital tools, but their impact was moderated by generational, economic, and contextual factors. The discussion is structured around four themes: Access Expansion, Digital Skills Development, Financial Inclusion Enablers, and Cultural and Economic Barriers. Access was enhanced through smartphone adoption and mobile internet usage, enabling participants to interface with financial tools directly. This supports findings by Demirgüç-Kunt et al. (2022) on the role of digital finance in expanding digital ecosystems. However, access alone did not ensure meaningful use. The development of digital skills through exposure at work, self-learning, or peer support was critical. Participants like P8 shared how they moved from complete unfamiliarity to assisting others, demonstrating Van Dijk's concept of relational digital learning. These skills allowed users to engage with not only payment platforms but other services like online shopping, airtime top-ups, and bill payments.

Digital payment platforms also acted as enablers of deeper financial inclusion, by building transaction histories, enabling budgeting, and encouraging formal savings. These features helped some users transition from informal cash economies to formal financial systems, addressing both digital and financial exclusion. These findings reinforce Proposition 2, by showing how digital

payments contribute to bridging the digital divide through improved access, enhanced digital literacy, and expanded usage opportunities in underserved communities. Yet, barriers persisted. High data and banking costs disproportionately affected low-income users, while cultural norms around cash created resistance, especially among older adults. This reflects the third-level digital divide, where value extracted from digital tools remains uneven (Van Dijk A. , 2020). Thus, digital payments have narrowed the digital divide in part, but persistent socio-economic and generational divides continue to restrict inclusive participation. The findings reinforce that true digital inclusion requires not just device or app access, but also motivation, skills, trust, and socio-cultural fit.

Before turning to the conclusions in Chapter 6, it is important to briefly note the limitations of this discussion and clarify its alignment with the study's propositions. The analysis confirms Proposition 1, showing that adoption is shaped by perceived usefulness, ease of use, demographics, motivation, and digital skills, while also being constrained by perceived risk, transaction fees, and internet costs. It further supports Proposition 2, illustrating how tailored and affordable solutions can reduce cash dependency, enhance digital literacy, and promote financial inclusion, thereby contributing to bridging the digital divide.

While these insights are analytically rich, they should be interpreted within the limitations of the study. The qualitative focus on Soweto residents aged 25–40 may limit the transferability of findings to other township settings or different demographic groups. In addition, the emphasis on user perspectives rather than institutional or regulatory actors narrows the scope of analysis. These limitations, however, do not diminish the contribution of the study; instead, they underscore the contextual boundaries within which the propositions are situated. Together, this strengthens the coherence of the discussion and provides a robust foundation for the conclusions and recommendations presented in Chapter 6.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

This chapter presents the study's overall conclusions by integrating the thematic analysis findings with the original research questions posed in Chapter 1. Each section revisits one of the five research questions and synthesises key insights drawn from the discussion of Propositions 1 and 2 in Chapter 5. The conclusions not only reflect what was discovered through the lived experiences of participants but also interpret these findings within the broader context of existing literature and the analytical frameworks adopted—namely, the Technology Acceptance Model (TAM) and Van Dijk's Resources and Appropriation Theory (RAT). This chapter answers each research question by connecting participant narratives, theoretical constructs, and empirical evidence. The final section of the chapter presents targeted recommendations for policymakers, fintech developers, banks, and community organisations aimed at improving digital payment adoption and financial inclusion in South African townships.

6.2 Conclusions regarding research question 1

How did residents of Soweto perceive the benefits and challenges of adopting digital payment systems in their daily lives?

This research question was comprehensively answered through the qualitative data collected from participants aged 25 to 40 living in Soweto. The findings revealed that residents recognised both benefits and challenges in adopting digital payments, shaped by their socioeconomic environment, digital familiarity, and day-to-day transactional needs. Participants widely acknowledged the benefits of digital payments in terms of convenience, speed, and reduced theft

risk. These systems were seen as especially useful for remote payments, online purchases, and receiving wages or grant money. Some respondents also appreciated the ability to track their spending through mobile apps. However, these perceived benefits were often conditional—they emerged in environments where infrastructure, connectivity, and merchant readiness supported digital use.

On the other hand, several challenges were consistently highlighted. These included high transaction and data costs, mistrust of digital platforms, limited digital skills, and inconsistent digital payment options in the informal economy. Residents reported reverting to cash in settings where digital payment options were unavailable (such as minibus taxis or informal vendors), or where digital platforms felt risky or unfamiliar. This selective use of digital payments contradicted the linear adoption assumptions in much of the existing research, which tends to present adoption as a binary or one-directional process.

What differentiated this study was its context-specific insight into township residents' lived experiences. Unlike previous research that largely relied on survey data or focused on formal economic settings, this study captured how perceptions were shaped by the realities of informal trade, shared phones, financial instability, and community norms around money. Participants often used digital payments situationally rather than habitually, adapting based on affordability, trust, and transaction type. This nuanced behaviour was underexplored in earlier studies that overlooked the hybrid use of cash and digital systems. Furthermore, the study addressed a key shortcoming in the literature by exploring the technical and economic barriers to adoption and the social, motivational, and contextual factors influencing perceived usefulness and ease of use. It highlighted that digital payments were not uniformly perceived across demographic lines—youth and digitally exposed participants were generally more positive, while others experienced fear or uncertainty that hindered adoption.

In summary, Soweto residents perceived digital payments as useful and desirable in principle, but structural barriers and social context constrained their adoption. These findings extended existing understanding by revealing how

township-specific dynamics—such as informal trade reliance, mistrust, and affordability—complicate adoption patterns. The study helped explain why, despite infrastructure availability, cash continues to dominate in everyday township transactions, offering a more grounded and context-sensitive answer to this research question.

6.3 Conclusions regarding research question 2

How did infrastructural, economic, and cultural factors influence the willingness of Soweto residents to transition from cash to digital payments?

This research question was fully addressed through insights drawn from participant interviews, which revealed that a complex interaction of infrastructural availability, economic affordability, and cultural norms significantly influenced digital payment adoption in Soweto. These factors did not operate in isolation but often reinforced one another in enabling or constraining residents' willingness to transition from cash to digital payments. From an infrastructural perspective, the study found that access to smartphones, mobile networks, and banking services was generally high among participants, particularly in urban areas of Soweto. However, physical access did not always translate into consistent usage. Many participants cited limitations such as poor connectivity in certain neighbourhoods, unreliable electricity supply affecting device charging, and the absence of digital payment terminals in informal shops and transport services. This disconnect between infrastructure presence and functional adoption revealed that availability alone was insufficient—effective infrastructure had to be supported by accessible and usable services at the point of need.

Economically, the study confirmed that cost remained a major barrier to digital payment use. Participants frequently mentioned the burden of mobile data charges, transaction fees, and minimum payment thresholds imposed by some service providers or retailers. These financial constraints discouraged

residents—especially those in informal employment or with limited disposable income—from using digital payments for everyday transactions. This challenge has been acknowledged in the literature, but this study provided deeper insight into how cost sensitivity shapes the selective and situational use of digital platforms rather than complete avoidance.

Culturally, strong preferences for cash persisted due to long-standing norms around visibility, control, and shared money practices. Participants expressed greater confidence in tangible cash, which was easier to manage, especially in group-based savings schemes like stokvels or when budgeting with family members. Digital payments were often perceived as impersonal, complex, or not yet fully integrated into township economic life. In some cases, cultural perceptions of modern payment methods as “elitist” or foreign also emerged, especially when usage was observed among younger or more affluent individuals. These findings helped uncover a layer of cultural resistance largely underrepresented in prior studies focused on urban adoption trends or formal markets.

This study emphasises the interdependence of infrastructural, economic, and cultural factors, which distinguishes it. Previous research often treated these categories separately or assumed that improving infrastructure would lead to increased adoption. This study demonstrated that even when infrastructure is present, adoption remains limited if economic and cultural contexts are not aligned. It also revealed how informal economic systems, and social relationships play a central role in shaping payment choices—an area overlooked in conventional digital inclusion frameworks. By exploring these intertwined influences within the specific setting of Soweto, the study contributed a more grounded understanding of why cash continues to dominate despite increasing digital penetration. It highlighted that adoption cannot be driven by infrastructure investment alone—localised affordability strategies, trusted community engagement, and cultural adaptation of services must accompany it. In doing so,

the study addressed a critical gap in the literature by explaining how township-specific dynamics mediate the shift from cash to digital payments.

6.4 Conclusions regarding research question 3

How did residents' experiences with digital payment platforms shape their trust and perceived security in these systems?

The study fully answered this research question. Trust and perceived security emerged as decisive factors in shaping both the willingness and frequency with which Soweto residents used digital payment platforms. Participants past experiences—whether positive or negative—directly influenced their confidence in these systems and, by extension, their adoption behaviours. The findings showed that trust was typically built through repeated exposure, successful transactions, and peer reinforcement. Many residents who used digital payments regularly did so because they had personally experienced convenience and reliability or had observed trusted peers using the same platforms without issues. In these cases, trust grew gradually over time, especially where platforms were easy to use and offered visible transaction confirmation.

However, a significant portion of participants expressed concerns about the safety of digital payments. These concerns included fear of sending money to the wrong account, being scammed through fraudulent links or airtime transfers, and doubts about whether funds would arrive or could be recovered in an error. Several participants described either first-hand or community-level experiences of loss or confusion that led to generalised mistrust. This was especially evident among older or less digitally experienced users, who often lacked confidence in navigating mobile apps and preferred the tangible reassurance of cash. Participants also pointed to a lack of recourse mechanisms and visible accountability as key reasons for their mistrust. When mistakes occurred or transactions failed, many did not know how to resolve the issue or recover their

funds. This led to a perception that digital systems lacked transparency or that help was inaccessible—further eroding trust and discouraging future use.

Importantly, this study revealed that trust was not an abstract concept but one that was highly contextual, and experience driven. While prior research often acknowledged trust as a factor in technology adoption, it rarely explained how that trust is built or broken in low-income, informal township environments. This study contributed new insight by demonstrating how trust is shaped by platform design and social learning, exposure to risk, and access to support when problems arise. Moreover, this study addressed a critical shortcoming in the literature: the tendency to treat trust as a static variable. In contrast, the findings from Soweto illustrated that trust was dynamic developing over time and varying between platforms, transaction types, and personal networks. Trust in one platform (e.g., for sending money) did not necessarily translate into trust for other functions (e.g., storing value or paying bills). This distinction helped explain the fragmented and partial adoption of digital payments in township settings.

In summary, residents' experiences with digital payment platforms strongly influenced their trust and perceived security, shaping their usage patterns. While many users found digital payments safe and efficient once they were familiar, others remained hesitant due to perceived risks, a lack of visible support, and limited digital fluency. These findings underscore the importance of trust-building measures, peer-led learning, and customer protection strategies in facilitating broader digital adoption.

6.5 Conclusions regarding research question 4

What role did digital payment systems play in enhancing financial inclusion in Soweto?

This research question was fully addressed by the study. The findings confirmed that digital payment systems played a meaningful, though varied, role in advancing financial inclusion for residents of Soweto. Digital platforms enhanced

access to financial services for many participants, especially those previously excluded from formal banking due to distance, documentation requirements, or operating hours. The ability to receive funds, make payments, and access balances via mobile phones contributed to increased participation in the digital economy. For participants who were already banked, digital payments added convenience, improved money management, and reduced reliance on cash. For the unbanked or underbanked, especially those operating within the informal sector, mobile-based solutions and low-cost POS terminals expanded access points and enabled participation in financial activities without needing to visit physical bank branches. These experiences supported the conclusion that digital payment systems can serve as an effective gateway to broader financial inclusion—particularly when integrated into community-level economic practices such as spaza shops, remittance channels, and savings groups.

However, the study also revealed that financial inclusion through digital payments was not uniform. Several residents experienced only partial inclusion. While they could receive digital payments or grants, many withdrew the full amount in cash due to distrust, lack of digital confidence, or limited acceptance of digital payments within local businesses. Others lacked access to value-added financial services, such as savings tools, credit offerings, or insurance—services typically associated with deeper forms of financial inclusion.

This study contributed new understanding by revealing that digital financial inclusion in township contexts is often shallow, fragmented, and constrained by affordability and usage barriers. It moved beyond the simplistic notion of inclusion as “account ownership”. It focused instead on meaningful access—whether individuals can effectively use digital services in ways that improve their financial wellbeing. Prior research tended to conflate access with usage or failed to account for the unique structure of township economies. This study addressed that gap by showing how inclusion is influenced by digital literacy, trust, and service relevance, rather than just infrastructure. Furthermore, the findings highlighted that informal community practices, such as stokvels, small business

payments, and peer-to-peer transfers, played a central role in enabling financial participation. When digital systems aligned with these practices, inclusion improved. When they did not, cash remained dominant. This insight offered a more nuanced explanation of inclusion dynamics that earlier literature overlooked.

In conclusion, digital payment systems in Soweto contributed to financial inclusion by increasing access, flexibility, and convenience. However, the depth of inclusion was uneven and dependent on user confidence, affordability, and the degree of service integration into everyday township life. This study reaffirmed that true inclusion goes beyond access and requires systems that are affordable, trusted, and responsive to local realities.

6.6 Conclusions regarding research question 5

How did digital payment systems contribute to narrowing the digital divide in Soweto?

This research question was comprehensively answered through the study's data. The findings indicated that digital payment systems had the potential to narrow the digital divide in Soweto, but only partially and unevenly. While access to digital payment platforms introduced many residents to mobile technology for financial purposes, significant disparities in skills, confidence, and usage outcomes persisted across different demographic and socio-economic groups. The study confirmed that widespread smartphone ownership and mobile network coverage had enabled more residents to access digital platforms. However, the extent to which these tools were meaningfully used varied greatly. Younger, digitally experienced participants were more likely to use a range of functions, such as online purchases, mobile transfers, and payment tracking, while others engaged with only the most basic features, if at all. This divergence highlighted the persistence of second and third-level digital divides: not just in access to devices,

but in the ability to use them effectively and derive personal or economic value from them.

Participants with limited education, digital skills, or exposure to formal financial systems often found digital payments intimidating or inaccessible. In some cases, these users relied on others to complete transactions on their behalf, leading to passive digital engagement. Others avoided digital systems altogether due to fears of mistakes or a lack of understanding. These dynamics demonstrated that motivation, usability, and support networks were as important as physical access in determining digital participation. A key contribution of this study was its ability to explain the relational nature of the digital divide in a township context—something underexplored in existing research. The findings showed that inequality in digital payment use was not only based on individual factors like age or education but was also influenced by structural realities, including employment status, informal living conditions, and cultural practices. Residents excluded from formal employment or did not interact regularly with digital services had fewer opportunities to develop the confidence and skills needed for meaningful digital participation. By focusing on the everyday experiences of township residents, the study addressed an important gap in the literature—namely, the tendency to treat the digital divide as a purely technological or economic issue. Instead, it demonstrated that the divide was sustained by a lack of locally relevant use cases, ongoing affordability constraints, and lacking targeted support for digital skill-building. The study also highlighted that digital inclusion was often shallow when services did not align with community needs or cultural practices.

In conclusion, digital payment systems in Soweto contributed to narrowing the digital divide for some by increasing access and exposure to digital tools. However, their impact remained limited for others due to disparities in skills, confidence, trust, and affordability. This study showed that bridging the digital divide requires more than connectivity—it demands context-sensitive design, community-based learning, and sustained efforts to ensure that digital tools are empowering, not excluding.

6.7 Recommendations

6.7.1 *Recommendations for Regulators and Policymakers*

Policymakers and regulators play a central role in creating an inclusive and enabling environment for digital payment adoption in township contexts. The findings of this study point to multiple structural, economic, and cultural barriers that require deliberate, context-sensitive policy interventions. Affordability emerged as a persistent concern, with participants citing high transaction fees and expensive mobile data as primary deterrents, particularly for lower-income and informally employed users. It is recommended that policymakers engage with financial service providers and telecommunications companies to develop regulatory frameworks that cap transaction fees for low-value payments and support the zero-rating of essential digital financial services. These interventions would directly address cost-related barriers and encourage more frequent use of digital platforms by reducing the financial burden on vulnerable users.

The study also surfaced a critical issue affecting recipients of the R350 Social Relief of Distress (SRD) grant. Some participants reported that grant beneficiaries were discouraged from using their bank accounts for other transactions due to fear that doing so could affect their eligibility. Whether based on misinformation or procedural ambiguity, this perception has led to minimal engagement with broader digital financial services and has reinforced cash withdrawal as the default behaviour. Policymakers should address this by issuing clear, accessible communication that assures recipients of their right to use their accounts freely, and by removing any punitive conditions tied to account activity. Doing so would promote financial inclusion without compromising access to essential social protection.

Beyond financial constraints, infrastructural barriers such as load-shedding and inconsistent mobile network access were cited as disruptions to digital transaction reliability. Targeted investment in energy infrastructure and network

resilience, especially in underserved township zones, will be essential for ensuring that digital systems are dependable and usable in daily life. Finally, the study identified cultural and generational factors influencing payment preferences, such as older adults' unfamiliarity with mobile apps and the continued use of physical money for traditional ceremonies. In response, policymakers should commission community-led financial education programs that are culturally relevant, multilingual, and tailored to various age and literacy levels. These programs should teach technical skills, build trust in digital systems, and address misconceptions around digital risk, thereby creating pathways for sustained inclusion.

In summary, regulators and policymakers must act on multiple fronts—pricing, policy clarity, infrastructure, and public education—to facilitate a smoother and more equitable transition from cash to digital payment systems in township settings like Soweto.

6.7.2 *Recommendations for Financial Institutions*

Financial institutions are critical in accelerating digital payment adoption and promoting financial inclusion in township environments. This study revealed multiple factors that influence user engagement with digital platforms in Soweto—particularly around cost, trust, service accessibility, and merchant integration. A primary barrier identified was the cost of digital transactions, especially for low-income users making frequent, low-value payments. Participants indicated that even small fees discouraged them from using digital platforms regularly. In response, financial institutions should develop fee-sensitive product offerings tailored for township users—such as zero-fee micro-transactions, bundled service options, or capped monthly transaction charges. These should be designed to support routine usage without penalizing economically vulnerable customers. Introducing context-specific loyalty programmes—including airtime rewards, grocery discounts, or cashback for repeat digital use—could also reinforce digital payments' perceived value and everyday utility.

Another key finding was the erosion of user trust due to inadequate support, particularly frustrations with automated chatbot responses. When users encountered technical or transactional issues, the absence of responsive, human-led assistance led to anxiety and avoidance of digital platforms. Financial institutions should strengthen their customer service infrastructure to rebuild confidence by ensuring accessible, human-assisted support, particularly during onboarding and problem resolution. Multi-channel support—combining in-branch, call centre, and community outreach—can improve user experience and establish trust, especially for first-time users.

The study also found that limited acceptance of digital payments in informal retail settings remains a significant barrier. Financial institutions should actively collaborate with local businesses, including spaza shops, informal traders, and taxi associations, to increase the penetration of digital payment acceptance. This should involve rolling out affordable, easy-to-use POS solutions suited to township environments. These systems should include options such as QR codes, tap-to-pay cards, USSD interfaces, and devices compatible with both feature phones and smartphones. Interments must accommodate varying literacy levels and offer multilingual support to reflect local language needs.

In conclusion, financial institutions can make a substantial impact by addressing township-specific barriers through three strategic areas: affordability, trust-building, and inclusive merchant enablement. By aligning digital products with the lived realities of township users and prioritising ease, cost-effectiveness, and customer support, they can meaningfully reduce cash dependency and expand participation in the formal digital economy.

6.7.3 *Recommendations for Businesses*

Businesses operating in South African townships—including informal traders, spaza shops, and minibus taxi operators—are key enablers of everyday digital payment use. This study found that limited acceptance of digital payment systems in these settings reinforces cash dependency, even among users otherwise

familiar with digital tools. To foster greater uptake, township-based businesses should be supported and encouraged to adopt digital payment solutions that are affordable, easy to use, and designed with the realities of the informal economy in mind. First, the adoption of low-cost, flexible digital payment systems is essential. Businesses are encouraged to partner with financial institutions and mobile money providers to access subsidised point-of-sale (POS) devices and mobile-enabled platforms that accommodate a range of mobile devices and digital literacy levels. Practical solutions—such as QR codes, tap-to-pay terminals, and USSD-based payment methods—can make digital payments accessible to merchants and customers. Simplified onboarding procedures, minimal documentation requirements, and clear fee structures will further reduce entry barriers.

The study also highlighted the need for shared digital awareness and skill-building across all age groups. Township households are often multigenerational, and digital hesitancy among older residents can limit adoption even when younger members are digitally fluent. Businesses, particularly local retailers and service providers are well-positioned to champion community-based digital literacy initiatives. These could include demonstrations, peer training, and awareness campaigns delivered in local languages and through trusted platforms such as radio, churches, and community gatherings. By embedding digital confidence into day-to-day interactions, businesses can normalise usage among their customer bases.

Additionally, township consumers are highly responsive to value-based incentives. Businesses should consider launching rewards programmes tailored to their clientele—offering benefits such as airtime, loyalty discounts, or cashback for frequent use of digital payments. These programmes must be simple, transparent, and accessible through commonly used channels, including WhatsApp, SMS, or USSD. When aligned with township consumer habits and spending patterns, such incentives can shift behaviours gradually while demonstrating tangible benefits of digital engagement.

In conclusion, township-based businesses are pivotal in scaling digital payment adoption. By embracing inclusive payment technologies, supporting digital awareness, and incentivising usage, they can enhance customer convenience, reduce reliance on cash, and contribute to a more financially inclusive township economy.

6.8 Limitations and challenges of the study

While this study generated valuable insights into digital payment adoption and financial inclusion in the Soweto township context, several limitations and challenges should be acknowledged. These do not diminish the relevance of the findings but rather highlight the scope within which they should be interpreted. Firstly, as with most qualitative research, the study prioritised depth over breadth. The findings were based on detailed interviews with a purposively selected sample of residents aged 25 to 40. While this approach allowed for rich, context-sensitive exploration, it also means that the results are not easily generalisable to all township residents, other age groups, or broader populations across South Africa. The uniqueness of the Soweto context—economically vibrant yet historically shaped by spatial inequality—further limits broad extrapolation. Secondly, the subjective nature of qualitative inquiry introduced potential bias. The researcher's lens influenced data collection, coding, and interpretation. Although efforts were made to maintain reflexivity and transparency throughout the research process, it is acknowledged that personal perspectives may have shaped the framing of themes, and the emphasis placed on participant narratives. Third, the sample size was intentionally small to enable depth of engagement, in line with qualitative design principles. However, this limited the study’s ability to uncover broader patterns or statistically significant relationships between variables such as age, education, and digital payment usage. The study therefore aimed to find meaning rather than test hypotheses.

Additionally, the data collection process presented practical challenges. Scheduling and conducting interviews in a township setting required flexibility and

sensitivity to participants' time and comfort. Some participants expressed concerns about recording or privacy, necessitating additional ethical considerations and prolonged engagement. The subsequent transcription and thematic analysis were time-consuming and labour-intensive, requiring careful handling to preserve the authenticity of participants' voices while ensuring analytical rigour. In acknowledging these limitations, the study reaffirms its purpose: not to provide generalisable conclusions, but to generate contextually grounded insights that may inform future research, policy, and practice. The identified constraints also serve as a basis for the suggestions for further research outlined in the following section.

6.9 Suggestions for further research

While this study has provided valuable insights into adopting digital payment systems in Soweto, it has also opened several avenues for further inquiry. Good research often raises new questions, and this study is no exception. The following suggestions aim to guide future researchers who wish to expand upon the themes, gaps, and limitations identified here:

6.9.1 *Longitudinal Studies on Digital Payment Behaviour*

This study captured perceptions and experiences at a single point in time. However, digital payment adoption is dynamic and likely to evolve as infrastructure improves and users become more familiar with technology. A longitudinal study could track changes in attitudes, behaviours, and usage patterns over time, offering a deeper understanding of how trust, skills, and access develop.

6.9.2 *Comparative Studies Across Townships or Rural Areas*

The research was limited to Soweto, which, while diverse, may not reflect the experiences of residents in other townships or rural settings. Future studies could

compare adoption patterns across multiple geographic locations, helping identify context-specific barriers and enabling conditions, thereby strengthening the generalisability of findings.

6.9.3 *Focused Studies on Older Generations and Cultural Dynamics*

Cultural practices and generational preferences emerged as significant influences on payment choices, particularly among older adults. Future research could delve deeper into the role of cultural beliefs, traditions, and intergenerational financial norms, particularly around cash usage and ritualistic practices, which remain underexplored in the digital finance literature.

6.9.4 *Exploring Merchant-Side Barriers in Informal Economies*

This study focused primarily on the user side of digital payment adoption. However, many participants reported that spaza shops and minibus taxis still prefer cash due to costs or infrastructure limitations. Future research could explore the merchant perspective, investigating informal businesses' readiness, constraints, and incentives to adopt digital payment systems.

6.9.5 *Digital Payment Adoption Among Grant Recipients*

Several participants highlighted that although grants are disbursed digitally, recipients often withdraw the full amount in cash. Further studies could examine digital engagement among social grant beneficiaries, exploring how these platforms could be leveraged to promote broader financial inclusion without disrupting culturally important financial behaviours.

6.9.6 *Impact of Financial Education and Digital Literacy Interventions*

Given the strong relationship between digital skills and adoption, future research could assess the impact of targeted financial and digital literacy training

programmes. Experimental or quasi-experimental designs could measure whether such interventions significantly influence confidence, trust, and usage of digital financial services.

6.9.7 *Gender and Digital Financial Inclusion*

This study did not disaggregate findings by gender, although global research has highlighted that women may face unique barriers to digital financial access. Future studies could explore how gender intersects with economic status, education, and cultural norms to shape digital payment usage.

6.9.8 *Policy Impact Evaluations*

Finally, future research could investigate the effectiveness of government or private-sector initiatives, such as Visa's Tap-to-Phone pilot projects, in promoting digital payment adoption in informal sectors. Evaluating such interventions could offer valuable lessons for scaling digital inclusion strategies across similar contexts.

Appendix A – Consistency Table

Table 1 Consistency table: research questions, propositions, data collection and data analysis

RQ #	State Research Question or Objective	Prop #	State Proposition or Hypothesis	Data collection detail	Data analysis method
1	How did residents of Soweto perceive the benefits and challenges of adopting digital payment systems in their daily lives?	1	The adoption of digital payments in South African townships was shaped by a combination of factors. Perceptions of usefulness, ease of use, individual demographics, motivation, and digital skills served as key enablers, while concerns around perceived risk, transaction fees, and internet costs acted as significant barriers to adoption.	Interview guide questions 1, 2, 3, 4, 5	Thematic analysis

RQ #	State Research Question or Objective	Prop #	State Proposition or Hypothesis	Data collection detail	Data analysis method
2	How did infrastructural, economic, and cultural factors influence the willingness of Soweto residents to transition from cash to digital payments?	1	The adoption of digital payments in South African townships was shaped by a combination of factors. Perceptions of usefulness, ease of use, individual demographics, motivation, and digital skills served as key enablers, while concerns around perceived risk, transaction fees, and internet costs acted as significant barriers to adoption.	Interview guide questions 1, 2, 3, 4, 5	Thematic analysis

RQ #	State Research Question or Objective	Prop #	State Proposition or Hypothesis	Data collection detail	Data analysis method
3	What perceived impact, if any, will digital payments have in narrowing the digital divide in South African townships	2	Tailored and affordable digital payment solutions reduced the use of cash while improving digital skills and financial inclusion, thereby bridging the digital divide	Interview guide questions 3, 4, 5, 6, 7	Thematic analysis
4	What role did digital payment systems play in enhancing financial inclusion in Soweto?	2	Tailored and affordable digital payment solutions reduced the use of cash while improving digital skills and financial inclusion, thereby bridging the digital divide.	Interview guide questions 3, 4, 5, 6, 7	Thematic analysis

RQ #	State Research Question or Objective	Prop #	State Proposition or Hypothesis	Data collection detail	Data analysis method
5	How did digital payment systems contribute to narrowing the digital divide in Soweto?	2	Tailored and affordable digital payment solutions reduced the use of cash while improving digital skills and financial inclusion, thereby bridging the digital divide.	Interview guide questions 3, 4, 5, 6, 7	Thematic analysis

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Appendix B – Interview Participant Profiling

Number of Respondents	xx
Gender	
Male	
Female	
Payment Mechanism	
Have a Bank or SASSA account	
Have a mobile money account	
Cash Only	
Age	
25-29	
30-34	
35-40	
Employment Status	

Employed Full time	
Employed Part time	
Self-Employed	
Unemployed	
Student	
Personal Monthly Income	
No personal Income	
R1 - R3,000	
R3,001 - R5,000	
R5,001 - R7,000	
R7,001 - R8,000	
R8,001 and above	
Refuse/Not specified	
Education Status	

Some primary school	
Primary school completed	
Some high school	
High School Completed	
Post matric qualification / certificate	

Appendix C - Interview Guide

Introduction

Background Information

- Tell me a bit about yourself—your age, occupation, and how long you've lived in this township.
- How has your experience living here influenced your views on technology and payments?

Digital Payment Adoption

Awareness and Knowledge

- How did you first hear about digital payment systems? What comes to mind when you think of digital payments?

Usage

- Which digital payment methods, if any, do you use? How often do you use them compared to cash?"

Motivations and Barriers

- What motivated you to start using digital payments, and what benefits do you see?
- What challenges or barriers have you faced, such as internet access or digital literacy?

Factors Influencing Adoption

Economic Factors

- How does your income level impact your ability to use digital payments? Do you find them cost-effective?

Social Factors

- How do your family and community influence your use of digital payments? Are there any cultural factors?

Technological Factors

- How reliable are the internet and mobile services here? How easy do you find using payment apps?

Trust and Security

- How much do you trust digital payment systems? Have you heard of any security issues, and how did they affect you?

Impact on the Digital Divide

- Do you think digital payments are accessible to everyone here? What could improve their accessibility?
- How do digital payments affect economic opportunities in your township? Can they help reduce the digital divide?

Outlook

- How do you see the future of digital payments in your township? What recommendations do you have for improving adoption?

Appendix D – Participant Consent Form

Title of the Study: Factors influencing the adoption of digital payments and their potential to bridge the digital divide in Soweto, a township in South Africa.

You are invited to participate in a research study conducted by Nontuthuzelo Gugushe at Wits Business School. This form outlines the details of your participation and seeks your consent for specific aspects of the study.

I, _____, agree to participate in this research project. The purpose of the research has been explained to me, and I understand the nature of my participation. I consent to the following:

1. Anonymity:

I agree that my participation will remain anonymous.

(Please circle one): YES / NO

2. Use of Anonymous Quotes:

I agree that the researcher may use anonymous quotes from my responses in the research report.

(Please circle one): YES / NO

3. Audio Recording:

I agree that the interview may be audio recorded.

(Please circle one): YES / NO

4. Use of Data for Academic Purposes:

I agree that the information I provide may be used anonymously after this project has ended, for academic purposes by other researchers, subject to their own ethics clearance being obtained.

(Please circle one): YES / NO

Participant's Consent

Participant’s Name: _____

Signature: _____

Date: _____

Appendix E – Participant Information Sheet

Title of the Study: Factors influencing the adoption of digital payments and their potential to bridge the digital divide in Soweto, a township in South Africa.

Dear Participant

My name is Nontuthuzelo Gugushe, a master's in management student in Digital Business at the Wits Business School, Johannesburg. As part of my research, I am exploring factors affecting digital payment adoption amongst youth in Soweto, under the guidance of Dr. Ayanda Magida. This study seeks to explore the factors perceived to influence the adoption of digital payments in Soweto, while also examining the barriers that contribute to the continued dominance of cash as the preferred payment method. Additionally, the study aims to investigate the perceived impact that digital payments may have on narrowing the digital divide within these communities. The study will utilise a qualitative research approach, employing semi-structured interviews for data collection.

I invite you to participate in an interview as part of this project. The interview will involve a series of questions and will take approximately 40-60 minutes. With your permission, the interview will be audio recorded using a digital device, but no video recording will be used. The interview can be conducted either in person or online via Microsoft Teams, offering flexibility for both you and the researcher. In line with the university's ethics committee guidelines, the consent forms will be securely stored for at least two years before being permanently deleted. The recorded interviews will be stored on the University's Microsoft Cloud Storage, which uses strong security measures like encryption and access controls to ensure data confidentiality and protection. All information you provide will be treated confidentially, and any identifiable information will be removed or coded to protect your identity. Your responses will be used solely for academic purposes. Your participation is entirely voluntary. You are free to withdraw from the study at any time without any penalty. If you experience any distress or discomfort during this process, we can pause the interview or

reschedule it for another time. If you have any questions about this research at any time, please contact me using the details below. Please note that the study is pending ethical clearance, which ensures it adheres to ethical guidelines. The final research report will be available online through the university library, and I can provide you with a summary if requested.

Yours sincerely,
Nontuthuzelo Gugushe

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