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Factors affecting the digital transformation of a traditional South African bank: The influence of Generation Z

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A research proposal submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business

Johannesburg, 2024

ABSTRACT

The purpose of the qualitative research was to determine which constructs from the UTAUT 2 framework could be applied by a traditional South African bank during its digital transformation journey to attract Generation Z to use its mobile payments application. A qualitative approach was utilised to interview 15 participants employed at Bank X. Utilising ATLAS.ti an inductive approach was used to thematically analyse the data gathered during the interviews.

The research findings indicate that performance expectancy, social networks and price value play significant roles towards positively influencing the adoption of digital payments. While ease of use does not drive behavioural intention, it could have an influence on performance expectancy. Insufficient cybersecurity measures could become a barrier, affecting the trust that Generation Z may have in the service provider and the mobile payment application. Competitive pricing paired with compelling rewards may serve as a powerful motivator, to influence Generation Z to change banks.

The findings suggest that to attract Generation Z, Bank X must focus on creating convenient mobile payment applications that offer a seamless user experience through digital onboarding. To earn the trust of Generation Z, Bank X should provide transparent cybersecurity measures. In addition, the solutions must be cost-effective and include personalised rewards. Furthermore, the bank should focus on digital marketing initiatives that will appeal to Generation Z.

This research paper provides recommendations for financial institutions embarking on its digital transformation journey or those already in the development phase for digital payment solutions. These insights can help attract and retain Generation Z to be loyal customers who can influence the current and future generations to bank with a traditional bank.

KEYWORDS

Banking, Mobile payments, Generation Z, Digital Transformation

DECLARATION

I, Chantel Naicker, declare that this research report is my

own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Signature: 

Signed at : Midrand, Gauteng

On the 24th day of February 2025

DEDICATION

All honour and glory to God for granting me the courage to get through this journey. I thank God for giving me a family who has been incredibly supportive of me during this time. Your love, patience and encouragement helped motivate me when I was down and demotivated and when I needed it the most. I dedicate this research to my husband Eden, son Zach and parents Goble and Dolly who have been my pillars of strength. I appreciate your unwavering support and encouragement; I would not have been able to do this without you.

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LIST OF ACRONYMS

Acronym	Definition
App	Application
DT	Digital transformation
DFS	Digital Financial Services
FinTech	Financial Technology
Gen Z	Generation Z
ICT	The Information communication technology
NFC	Near Field Communication

CHAPTER 1. INTRODUCTION

1.1 Statement of purpose

The purpose of this qualitative study was to understand the factors that influence Generation Z employees from a selected traditional bank, to use digital payment applications to further improve the bank's digital transformation journey.

1.2 Background of the study

> Digital transformation is the sum total of all organisational change efforts in response to technological disruption, that results in a marked change in the form and nature of the organisation, especially so that the organisation's ability to thrive in the digital age is improved (Armstrong & Lee, 2021, p. 518).

Digital transformation (DT) in numerous industries saw a rapid change due to the COVID-19 pandemic, with the need to reduce face to face interactions Osei et al. (2023) to decrease the rate of infection (Zhong & Moon, 2022). This shift led to changes in business operations and in consumer behaviour, including a decrease in cash handling and a significant rise in mobile payments (Agardi & Alt, 2022). Consumers had to adopt mobile payments as this enabled them to facilitate their online shopping or to make use of the retailer's mobile application to take advantage of the delivery service (Upadhyay et al., 2022).

The Information and Communication Technology (ICT) sector and digital transformation has also contributed to the transformation of the way we live, from smart homes to the way we do business with the introduction of data analytics, cloud computing and virtual collaboration (Osei et al., 2023). Covid-19 and the ICT industry impacted the banking sector, prompting traditional banks to fast-track improvements to its digital banking services, such as the online banking channels, including mobile payment applications and digital wallets to cater to its client's

banking requirements (Neves et al., 2023). Digital wallets are enabled through Near Field Communication (NFC), the NFC tag allows the merchant terminal to accept a payment when a consumer simply holds their smartphone close to the device (Malarvizhi et al., 2022).

Banking apps are a popular method for customers to access their credit cards; and is gaining traction in South Africa with 58% of credit card holders accessing their accounts through the mobile applications (SARB, 2023).

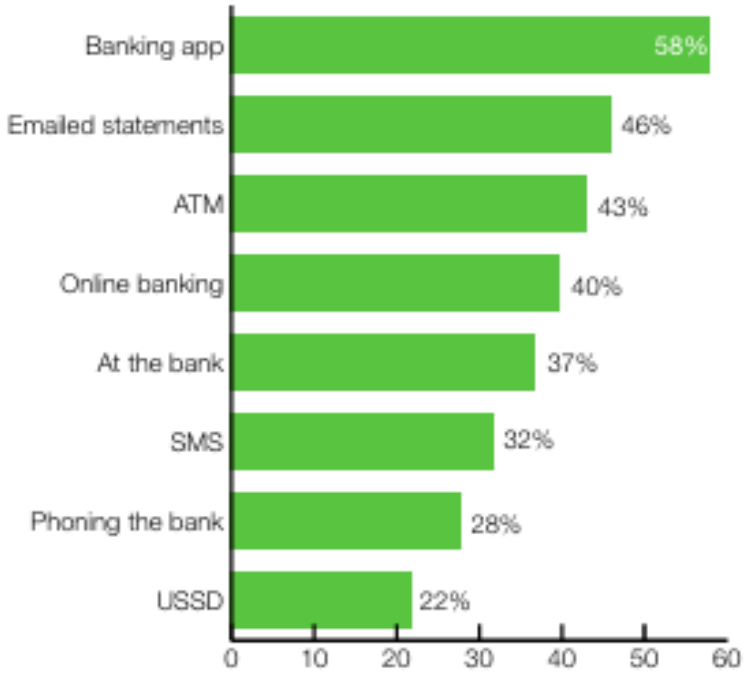


Figure 1: App usage to access credit cards (SARB, 2023)

In banking, digital transformation involves changes to the organisation, its operations as well as a change in its culture (Lugovsky, 2021). A traditional bank undergoes digital transformation to achieve its strategic objectives, such as attracting a new demographic, increase its market share or to improve its competitive advantage through technology (Armstrong & Lee, 2021).

For traditional banks there has been a transition from purely providing services in branches to offering financial services through the internet or through a mobile

device. This shift aims to improve the customer experience, optimise operations, facilitate data integration and to enable the bank to be more agile. Through the digital transformation journey, traditional banks can create efficiencies in its environment while improving its financial performance. Digitial transformation is a fundamental necessity for traditional banks to achieve sustainable development (Zhu & Jin, 2023). The goal of the traditional banks' digital transformation is to attract and retain customers by providing end to end banking services through its mobile devices, which is cost effective while generating revenue for the organisation (Lugovsky, 2021).

With digital transformation banks can utilise artificial intelligence (AI) to provide improved customer service. For example, chatbots can be used to provide online assistance 24 hours a day, seven days a week. Big data can be used to create risk models to make improvements on non-performing solutions, as well as to make more informed business decisions. For traditional banks, mobile banking has emerged as a strategic component of its digital transformation, which reduces costs, yields profits, increases a banks competitiveness while serving the needs of its customers (Yongjie, 2023).

1.2.1 Traditional banks

Traditional banks offer a variety of services to generate revenue, ranging from its deposit and lending solutions, where it earns interest income, to its transactional solutions where it generates non-interest revenue. In addition to digital solutions, traditional banks operate branches to facilitate face to face interactions with its clients. These branch networks can be widespread, attracting high operational costs (Temelkov, 2020).

There has been a significant shift in the way that traditional banks operate, the evolution has seen a move from retail or branch banking to more modern ways of digital banking which includes substantial focus on mobile banking and banking through online channels (Dendrinos & Spais, 2023). Digital banking solutions will contribute to financial inclusion as it enables customers in rural areas to access

banking services. This evolution aims to enhance customer experience, optimise operations and increase agility in a competitive market (Giatsidis & Kamariotou, 2021).

The transformation from traditional banking to digital banking services enhances the service offerings to the consumers. This is made possible through technology in the form of APIs, robotics process automation, artificial intelligence, chatbots and digital identity. The benefit of the digital transformation is that it enables a consumer to complete the onboarding process, transact, apply for insurance, facilitate account openings, including current accounts, investments and loan accounts on digital channels (Mothibi & Rahulani, 2021). Digital transformation helps a traditional bank to reduce transaction costs while fostering business and customer-centric service innovation (Yongjie, 2023).

Bank X, a traditional bank in South Africa, has embarked on its digital transformation journey to improve its digital solutions. This initiative aims to create an improved customer experience, to remain competitive as well as to create efficiencies in the bank's operational processes. Research was conducted on Bank X to determine which factors it should implement to attract Generation Z to make use of its mobile payments' applications, while competing with other traditional banks, digital only banks and FinTechs. Bank X is one of the leading banks by assets in South Africa. According to Statista (2024) the banks which fall in the category of leading banks by assets are, First National Bank, Standard Bank of South Africa, Nedbank Limited, Absa Bank, Investec Bank and Capitec Bank.

1.2.2 Digital only banks and FinTechs

Digital transformation has brought about new business models in the banking sector with the emergence of digital only banks, and FinTechs (Cele & Mlitwa, 2024). Three of South Africa's digital only banks, namely Discovery Bank, TymeBank and Bank Zero were issued with its banking licenses in 2017, Vallentyn (2021), while Old Mutual Limited, a financial services organisation, obtained its banking license in 2024 (Old Mutual, 2024). FinTechs and digital only banks have had a substantial impact on South African traditional banks, the latter now face new competition forcing them to continuously innovate to remain competitive (Cele & Mlitwa, 2024).

Unlike traditional banks, digital only banks also referred to as neo-banks Kaabachi et al. (2022), do not have any physical branches. They are paperless and are able to provide fast and efficient financial services through digital applications and self-service kiosks (Windasari et al., 2022).

In 2021 there were 154 FinTech startups in South Africa (Statista, 2024). A FinTech is a technology firm which focuses on digitally delivering financial services to both juristics and individuals. FinTechs will make use of advanced technology such as machine learning, artificial intelligence, cloud computing and big data to create solutions which will attract the financial institutions clients (Elsaid, 2021). FinTechs focus on providing innovative solutions such as cryptocurrencies, peer to peer lending, digital wallets and crowdfunding through multiple channels including banking and insurance companies (Srivastava et al., 2023). For FinTechs, mobile payments are an important aspect of its business, as it is the fastest growing service due to rapid digital adoption and lower costs (Hwang et al., 2021).

The strong competition from digital only banks and FinTechs stems from its digitised customer journey and delighting customers. In addition, due to its agile digital infrastructure, it can innovate rapidly and provide customised solutions (Mothibi & Rahulani, 2021). FinTechs and digital only banks can offer services to

its customers at a lower fee due to its minimal operating costs, enabling it to attract price conscious customers (Cele & Mlitwa, 2024). Customers exhibit a preference for the digital account opening processes and real-time account management due to the convenience and time efficiency of these services (Kaabachi et al., 2022).

Digital only banks and FinTechs come with disadvantages, as digital applications raise cybersecurity risks (Thompsett, 2024). With the introduction of digital only banks and FinTechs there are regulatory risks which need to be taken into account (Milena & Radoica, 2022). The concern relates to emerging countries, such as South Africa, which may lack the necessary skills or expertise to regulate these business models. Digital only banks and FinTechs are not subject to the same regulatory requirements as traditional banks (Cele & Mlitwa, 2024). FinTechs and digital only banks could be affected by a data breach; account take overs and phishing. The implications of these businesses being targeted by cybercriminals are dire. The consequence is that these organisations could face significant reputational damage or financial loss.

1.2.3 Comparison of traditional banks and digital only banks digitally active customer base

Although traditional banks have been operating for a longer period and have dominated the banking industry, the comparison in Table 1 shows that new entrants in the market such as TymeBank, have already surpassed the traditional banking giants in relation to the number of digitally active clients. Reinforcing the reason why traditional banks must focus on mobile payment applications during its digital transformation strategy. TymeBank, a challenger bank, created with the sole purpose of financial inclusion is able to provide digital financial solutions at a fraction of the cost in comparison to a traditional bank (Gertze & Petersen, 2024).

Table 1. Traditional and digital only banks digitally active clients:

Traditional and digital only banks	Digitally active customers/app users	Rewards programme	Headline earnings
Absa Bank (Traditional)	4.3 million (ABSA, 2024)	Absa Rewards (Absa, n.d)	R10.2 billion as at June 2024 (decrease by 5%) (ABSA, 2024)
Capitec Bank (Traditional)	11.2 million (Capitec, 2024)		R10.6 billion (up 16%) as at Feb 2024 (Capitec, 2024)
First National Bank (Traditional)	7.3 million (First Rand Bank, n.d)	eBucks (First Rand Bank, n.d)	R24.8 billion as at June 2024 (First Rand Bank, n.d)
Nedbank (Traditional)	2.9 million (Nedbank, n.d)	Greenbacks earned on card qualifying card swipes (Nedbank, n.d)	R15.7 billion (Nedbank, n.d)
Standard Bank (Traditional)	4.1 million (Standard Bank, 2023)	UCount rewards earned on qualifying card swipes (Standard Bank)	R22 billion as at June 2024 (Standard Bank, 2025)
Discovery Bank (Digital only). Established 2017 (Vallentyn, 2021)	1 million (Parakozov, 2024)	Discovery Miles – achieve exercise, spend and drive goals to earn discovery miles (Discovery Bank, n.d)	R454 million loss, as at June 2024 for (Figures for Discovery Group)
Tyme Bank (Digital only) Established 2017 (Vallentyn, 2021)	9.75 million (Tyme Bank, n.d)		

In a short period, TymeBank has been able to attract millions of clients by providing financially inclusive, simple banking services with significantly low fees. This success is due to its partnership with retailers Pick ‘n Pay and Boxer, which have a nationwide footprint enabling the digital bank to provide banking services in remote areas with lower operating expenses (Jenik, 2022).

1.2.4 Generation Z

To remain competitive in deploying new, innovative or enhanced digital financial services, Bank X must consider segments like the Generation Z (Kangwa et al., 2021). Generation Z are people born between 1995 and 2010 (Kaabachi et al., 2022). This demographic has been raised in the digital age and are often referred to as ‘digital natives’ (Mckinsey & Company, 2023). This demographic is also known by various names, including “GenZers”, “i-generation” Gen-tech Martina et al. (2022) and “Zers” (Agardi & Alt, 2022). Generation Z spend significant amounts of time online, engaging in activities such as shopping, dating, research and utilising financial services (Mckinsey & Company, 2023).

According to Mude and Undale (2023, as cited in Holendova et al. (2024), there are more than 2 billion Generation Z individuals worldwide. This demographic is considered the most diverse and challenging group of consumers. Their complexity can be attributed to growing up with constant access to the internet and social media, which continuously shapes the way that they interact with the world (Jayatissa, 2023). Due to their early exposure to technology, Generation Z is heavily influenced by online reviews, family, influencers and friends (Theocharis et al., 2025).

Generation Z is socially conscious and places high value on organisations that offer environmentally sustainable products. They also prefer originality and are willing to pay for personalised products and services (Cagala & Babcanova, 2024).

Globally, research in France has shown a rise in the number of neobanks targeting Generation Z. This cohort is not brand loyal and will switch from a traditional bank if they are dissatisfied with the service, if the bank fails to engage them promptly or if it does not deliver on its promises. According to Efma (2021, as cited in Kaabachi et al., 2022), neobanks have attracted 28% of these consumers.

In India, cash is the dominant transacting method as Fintechs services are still emerging. However, affluent Generation Z consumers prefer digital payment solutions provided by Fintechs, which they find more accessible and cost effective

than traditional banks (Srivastava et al., 2024). In China, which is considered to be the global leader in mobile payments through platforms like WeChat Pay and Alipay, studies show that young consumers adopt mobile payments when they perceive them as useful, trustworthy and efficient (Tang, 2025).

As traditional banks undergo digital transformation journey, it must consider the unique banking needs of Generation Z. Garekwe et al. (2024), suggest that this demographic is more inclined to use a banks AI-driven banking products and services compared to older generations. As Generation Z progress in their careers, and earns higher salaries, their purchasing power will increase. Organisations must understand and cater to this generations needs, especially considering that as of 2024, Generation Z represented 25-30% Shahid and Ikram (2024, as cited in Theocharis et al., 2025), of the worlds population and held a purchasing power of $360 billion Subawa et al. (2020, as cited by Theocharis et al., 2025).

Generation Z seeks mobile payment applications from traditional banks that are easy to use and offer rewards (Sladjana et al., 2025). They prioritise trust and require assurance that their data and funds are protected from cybersecurity threats and fraud (Eksteen & Humbani, 2021). This technoligically advanced demographic enjoys innovative mobile payment applications that are easy to download, intuitive to use and offers multiple payment options. Traditional banks must also appeal to Generation Z’s social networks, as their decisions are influenced by their social circle (Anas et al., 2024).

46 percent of the South African population falls within the bracket categorized as Generation Z. The characteristics of this demographic indicate that they are open minded and digitally connected (Martina et al, 2022). Nevertheless, they can also be described as risk averse, having been born during the financial crisis and subsequent recession. This socially concious demographic is highly innovative and tend to use social media to both create content and as an escape from reality (Agardi & Alt, 2022). According to Kaabachi et al. (2022) although Generation Z

are digitally adept, not all of them trust digital only banks and Fintechs, preferring traditional banks.

However, the needs of the technically astute Millennials and Generation Z are transforming the banking sector, requiring for mobile payments that are efficient and cost effective (Phaneuf, 2022). Generation Z wants to access high-quality service and strong banking experiences with easy access to information (Kaabachi et al., 2022). This demographic seeks innovative banking solutions and creates convenience through technology to keep up with their fast paced lifestyle (Febriyanti et al., 2024).

To gain insights into the factors that Generation Z considers important when using digital payment applications (mobile payment applications are being used interchangeably with digital payment applications), the extended Unified Theory of Acceptance and Use of Technology (UTAUT2) framework by Venkatesh et al. (2012) was utilised. This framework extends the Unified Theory of Acceptance and Use of Technology (UTAUT) by Venkatesh et al. (2003) which was developed to understand the driving forces for an organisation to adopt technology. The UTAUT2 framework was adapted to understand what motivates Generation Z to use banking technology. The constructs included in this research are performance expectancy, effort expectancy, price value and social influence (Venkatesh et al., 2012).

A systems thinking approach can be utilised to understand the factors which will drive Generation Z to bank with a traditional bank by applying the constructs from the UTAUT2 framework by Venkatesh et al. (2012). With systems thinking, positive and negative feedback loops emerge as outputs that are fed back into the systems as inputs to influence future outputs or behaviour (Fitzgibbons & Yasar, 2024). Positive and negative feedback loops can relate to social influence. If Generation Z's friends have a positive opinion on the digital solution, they could positively influence their behaviour. However, if Generation Z's friends have a negative opinion, they will dissuade them from making use of the app (Yang et al., 2022).

Research on the performance expectancy of mobile payment applications was conducted, as consumers, particularly Generation Z, require digital solutions which are useful, fast, and beneficial when transacting (Penney et al., 2021).

In addition, research on effort expectancy is key as it takes into account how easy technology is to make use of (Venkatesh et al., 2012). Generation Z wants access to digital banking services that are easy to obtain, utilise, and which are cost effective (Phaneuf, 2022).

The study includes social influence, an important construct to understand how peers, family and friends has an influence on Generation Z to make use of digital payment applications (Alfa'izy et al., 2023). Generation Z makes use of the internet and social media to stay connected, communicate and use it as a medium to share and gather information. As the adoption of digital payments within Generation Z's social network increases, there is greater tendency for this age group to adopt this method of transacting (Kelly, 2024). Generation Z is highly influenced by their peers, family and friends when deciding which type of payment instrument to use (Yohannes & Liawren, 2024).

Perceived trust was included in the research as Generation Z wants access to secure solutions and requires assurance that their personal data and funds are protected against cyber threats (Nur & Panggabean, 2021).

Mobile devices and internet infrastructure are integral parts of mobile payment systems (Panda et al., 2022). Generation Z have access to mobile devices; in South Africa, 92.1% of households own a mobile phone that is in working order. There has also been a shift in households accessing the internet via their mobile phone from 16.3% in 2011 to 60.5% in 2022 (South African Government News Agency, 2023).

The South African banking industry has regulatory requirements which they need to comply with to protect Generation Z (Vallentyn, 2021). These include, but are not limited to, the National Payment System Act (NPS Act) 78 of 1998 "to provide for the management, administration, operation, regulation and supervision of

payment, clearing and settlement systems in the Republic of South Africa" South African Government, (n.d, para. 1).

The Consumer Protection Act (CPA) 68 of 2008 was established:

> To promote a fair, accessible and sustainable marketplace for consumer products and services and for that purpose to establish national norms and standards relating to consumer protection, to provide for improved standards of consumer information, to prohibit certain unfair marketing and business practices, to promote responsible consumer behaviour, to promote a consistent legislative and enforcement framework relating to consumer transactions and agreements South African Government, (n.d, para.1).

Research must be conducted on Generation Z, as this demographic is the main drivers of the growth in digital payments (Demir et al., 2024).

1.2.5 Mobile payments

Mobile financial applications such as Samsung Pay and Apple Pay have fundamentally changed the way customers transact and are an important aspect of their daily activities (Kim et al., 2024). Mobile payments are enabled through applications downloaded on smartphones, allowing users to make payments from their mobile devices (Nur & Panggabean, 2021). These mobile applications house the user's bank account and credit card details, enabling the customer to facilitate payments and transfers in seconds with just a few clicks (de Blanes Sebastian et al., 2022), and Alfa'izy et al. (2023) suggested that mobile payments are considered to be faster and more convenient than cash transactions. Mobile payments eliminate the need to withdraw cash from ATMs, which at times can be inconveniently located and costly as it attracts a withdrawal fee (Purohit et al., 2022).

Included in South African participating banks' mobile payments applications is PayShap, which is an interoperable industry-standard payment system which provides a digital alternative to cash. This solution, accessed through the mobile devices, allows users to make instant payments at a cheaper rate than immediate payments. Currently, banks participating in PayShap include Absa, African Bank, Capitec Bank, Discovery Bank, FNB, Investec, Nedbank, Sasfin, Standard Bank and Tymebank (Payshap, n.d.).

Mobile payments have become an essential part of society's daily lives, used for the numerous services it provides including paying bills, online and in-store shopping and paying for meals at restaurants (Zhong & Moon, 2022). In South African the mobile app is used for several payment and investment services, the most value is derived from cell phone and data payments at 29% of usage followed by payments for family support and charity at 25%.

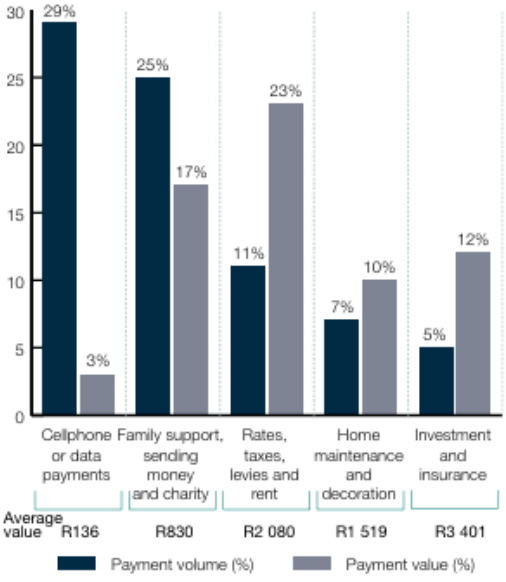


Figure 2: App use **(SARB, 2023)**

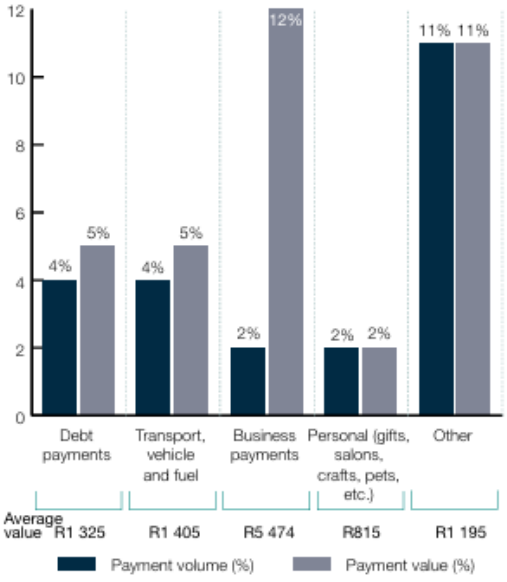


Figure 3: App use (SARB, 2023)

In South Africa, 27% percent of consumers make use of internet banking with 50.3% of the population making use of mobile payment apps, making it the preferred banking method. The South African population access their banking app at least 6.12 times per month, using it to view account balances, purchasing airtime

and data as well as transacting. Twenty-one percent of the population who are investing are making use of the mobile application (SARB, 2023).

Generation Z have a preference to make use of personalised mobile payment applications (Kim et al., 2024). As banks undergo digital transformation and innovate, to be truly impactful they need to understand the behaviours of their digitally smart clients, including their needs, preferences, expectations, choices, likes and dislikes (Osei et al., 2023).

1.3 Research problem

Despite the growing importance of digital transformation in the banking sector, there is a significant gap in understanding the factors that influence Generation Z to adopt mobile payment applications offered by a traditional bank. As traditional banks face increasing competition from digital only banks and FinTechs, understanding the unique preferences and behaviours of Generation Z is critical. Traditional Banks should consider the customer experience along with the positive and negative influences on Generation Z's digital adoption behaviour (Dendrinos & Spais, 2023).

Generation Z's preference for mobile payment applications which are innovative, cost-effective, secure and convenient necessitates an investigation into the factors that drive their behavioural intention and usage. Considering that mobile payment applications play a significant role in Generation Z's daily banking activity Kaabachi et al, (2022), this research aims to identify the key determinants influencing this preference, as offered by traditional South African banks. By addressing this gap, the study seeks to provide actionable insights for traditional banks to enhance their digital transformation strategies. Generation Z grew up in an era with access to mobile phones, data and the internet, which has resulted in this demographic knowing exactly what they are looking for when adopting technology (Kumawat & Baskaran, 2023). Understanding these preferences is not only crucial for traditional

banks to remain competitive, but also to ensure it can effectively attract and retain the digital natives.

Generation Z is an important demographic for Bank X to consider during its digital transformation, as this cohort continue to enter the workforce and become financially secure, their spending power will increase as well as their influence (Skrynova, 2023). Bank X or other traditional banks, faced with competition from FinTechs and digital only banks, could utilise the UTAUT2 by Venkatesh et al. (2012), constructs during its digital transformation journey to attract and retain Generation Z clients to make use of its mobile payment applications.

Bank X and other traditional banks will have to keep pace with digital only banks and FinTechs by providing digital payment services which are customisable, easy to use, and secure. Bank X or other traditional banks need to continually innovate its digital financial services to be efficient and cost effective to successfully compete with FinTechs who can provide digital payments at a lower cost and adopt new innovative payment methods more quickly (Hwang et al., 2021).

Research was conducted on Bank X, a traditional bank, to understand the constraints and motivating factors which influences its Generation Z employees when making use of mobile payment applications. This knowledge will empower Bank X or other traditional banks, during its digital transformation to attract and convert Generation Z to be loyal customers.

1.4 Research objectives

Previous studies aimed at understanding the factors influencing Generation Z's to adopt mobile payment applications have explored various industries, including but not limited to travel, retail and transportation. These studies considered how demographics, education and society factors impact mobile payment adoption, offering foundational insights for organisations, policymakers, technology

developers and governments when drafting policies and innovative solutions to encourage use (Mohd et al., 2024). Research by Anwarul et al. (2024) examined the adoption of Fintech services in Bangladesh relating to perceived trust, privacy and security. In Vietnam, (Nguyen, 2024) investigated Generation Z's adoption of mobile payments through Apple Pay, emphasising constructs such perceived usefulness, effort expectancy, perceived value amongst others.

The research objectives for this study were intentionally narrowed to ensure a focused and manageable scope. While the selected factors are not exhaustive, they were identified through existing literature as the most relevant for this study.

The objectives were developed to identify the factors that Traditional Bank X should consider during its digital transformation to attract Generation Z users to its mobile payment application. Grounded in the Unified Theory of Acceptance and Use of Technology (UTAUT2) framework by Venkatesh et al. (2012), three specific objectives were formulated to guide a focused and in-depth study.

The primary objective of this study was to explore the factors affecting the digital transformation of a traditional bank as influenced by Generation Z's expectations and behaviors, through a set of targeted research objectives.

The objectives of the research are:

RO1. Influence of performance expectancy and effort expectancy on Generation Z making use of mobile payments

RO2. Trust and price value as potential barriers for Generation Z when selecting a bank's mobile payments

RO3. The impact of society on Generation Z's use of a specific bank's digital payment application

Recommendations are based on the constructs which Bank X should consider incorporating in its digital transformation journey to attract Generation Z.

1.5 Rationale

This qualitative study was conducted on the Generation Z employees selected from Business Unit Y within Bank X, a traditional bank in South Africa.

Qualitative research was used to ascertain the driving forces for Generation Z's use of mobile payments provided by incumbents, as there is limited research in this area (Dendrinos & Spais, 2023). Recent research conducted on Generation Z was by Axcell and Ellis (2023) on branded mobile apps from a marketing perspective. Studies on adoption of mobile payments by Generation Z have been conducted in Thailand by Silanoi et al. (2023) and in Jakarta by (Nur & Panggabean, 2021). In Ghana, research was conducted on the adoption of Mobile Money by Penney et al. (2021) and in Greece, there was a comparison between Generation X and Generation Z by (Dendrinos & Spais, 2023). To gain a more comprehensive understanding of what motivates South African Generation Z to make use of a traditional bank's digital payment application, qualitative research was conducted on this demographic. The research will thus contribute towards increasing the market share of Generation Z for traditional banks in the country and could assist in creating a competitive edge for traditional banks.

1.6 Delimitations of the study

i. The study focused on the mobile payment portion of banking; investments, insurance and loans were delimited from this study.
ii. The study took take place at Bank X (an incumbent bank), in Business Unit Y.
iii. Although Millennials are also technologically adept, this demographic was not included in the study.

1.7 Definition of terms

Digital transformation “a process that aims to improve an entity by triggering significant changes to its properties through combinations of information, computing, communication, and connectivity technologies” (Vial, 2019, p.118).

Systems thinking “is aimed at understanding relationships between components and their overall impact on systems outcomes (ie., intended and unintended and how a system similarly fits in the broader context of its environment” (Amissah et al, 2020, p,1).

Generation Z ‘they are defined as those who were born after 1995 and are characterized by their digital nativism and unique characteristics’ (Jayatissa, 2023).

1.8 Assumptions

The assumption is that Generation Z s has been using digital payments, as they have an impact on how banks are approaching their digital transformation journey (Kumawat & Baskaran, 2023).

CHAPTER 2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter made use of literature reviews to understand the factors that Generation Z consider when choosing which bank's mobile payments application to use. During the digital transformation journey of Bank X, an incumbent bank, it must determine what features of digital payment applications should be enhanced and how to innovate to attract Generation Z to use its bank for digital payments. Generation Z who are considered to be digital natives, were raised with easy access to the internet and technology. Consequently, the demographic will play a pivotal role in the usage of mobile payments (Silanoi et al., 2023).

The big five banks in South Africa are traditional banks: Absa Group Limited, Standard Bank Group Limited, First National Bank (a division of First Rand Limited), Nedbank Group Limited and the more recent entrant Capitec Bank Holdings Limited, founded in 2001 (Anos et al., 2024). These banks have undergone digital transformation to continue to add value to the economy and to meet evolving customer expectations. This transformation is essential for maintaining competitiveness and sustainability, especially in the light of the innovation banking solutions introduced by digital only banks and Fintechs (Njabulo et al., 2025).

To remain competitive, traditional banks have incorporated open banking into their digital transformation journey through the use of API's. This enables it to deliver personalised banking services more effectively and cost-effectively (Panday et al., 2024). Big data has also had a positive impact, allowing banks to leverage AI to collect and analyse customer data, thereby enabling more informed decision-making and the delivery of customised solutions (Makore & Tapiwa, 2024).

To enhance the customer experience and provide 24/7 service, traditional banks have adopted Chatbots. These tools assist clients in navigating banking solutions and offer responses to simple queries, which can help increase customer loyalty (Lubbe & Ngoma, 2021).

In response to the changing needs in the South African customers – particularly Gen Z and the shift towards a data driven, cashless society, banks have implemented innovative solutions such as mobile payment applications, FNB's eWallet and Absa's CashSend (Mhlongo et al., 2025). A study conducted on Absa a traditional South African bank, reveals incumbent banks are actively marketing on social media platforms to reach a diverse audience. Additionally, these banks have have developed user-friendly mobile payment applications, improved and increased the options for digital payments and launched next-generation ATM's to reduce branch visits (Chitamba et al., 2024).

There are numerous theories that can provide Bank X with insight as to why a consumer will accept a new technology and the factors which drives usage behaviour (Gertze & Petersen, 2024). According to Mohta et al. (2024), popular frameworks for understanding the acceptance of technology include the Technology and Acceptance Model (TAM), developed by Davis (1989), and the Unified Theory of Acceptance and Use of Technology (UTAUT), developed by (Venkatesh et al., 2003). The two main factors identified in TAM are Perceived Usefulness (PU), and Perceived Ease of Use (PEOU). Davis (1989, p. 320), defines PU as "the degree to which a person believes that using a particular system would enhance his or her job performance." and PEOU as "the degree to which a person believes that using a particular system would be free of effort."

UTUAT which is an integration of eight prevalent frameworks Malarvizhi et al. (2022), includes constructs from TAM (Venkatesh et al., 2003). Constructs which were used to create the UTAUT framework by Venkatesh et al. (2003), include; Performance Expectancy (PE), Effort Expectancy (EE), Facilitating Conditions (FC), gender, age, experience and voluntariness. This framework is used to give

an explaination as to which factors will drive a user to adopt technology (Gertze & Petersen, 2024).

Additional factors needed to be considered to understand the key drivers influencing Generation Z's use of mobile payments. Therefore, this research paper made use of the extended Unified Theory of Acceptance and Use of Technology (UTAUT2), by Venkatesh et al. (2012). This study incorporated key constructs from the original UTAUT theoretical framework, performance expectancy, effort expectancy and social influence. These constructs were originally intended to understand the use of technology from an organisational perspective (Venkatesh et al., 2003).

The constructs were subsequently adapted in the UTAUT2 framework to understand the acceptance and use of technology from a consumer's perspective; therefore, they were used to determine what motivates Generation Z to adopt Bank X's mobile payments. In addition to performance expectancy, effort expectancy and social influence; price value from the UTAUT2 framework was also included (Venkatesh et al., 2012).

This study extended the UTAUT2 theoretical framework to include perceived trust. The extension to include perceived trust was driven by the significant influence it has on a bank's clients, including Generation Z, to adopt modern technology (Penney et al., 2021; Silanoi et al., 2023; Wei et al., 2021).

The first section of this chapter explores what drives behavioural intention through the literature review. The second section looks at the theoretical constructs from UTAUT2. Thereafter the conceptual framework is introduced, followed by the conclusion.

2.2 Influence of performance expectancy and effort expectancy on Generation Z making use of mobile payments

Research was conducted on the value that Generation Z placed on the features of mobile payments in terms of performance expectancy and effort expectancy.

2.2.1 *Performance expectancy and the use of mobile payments*

“Performance expectancy is defined as the degree to which using a technology will provide benefits to consumers in performing certain activities” (Venkatesh et al., 2012, p. 159). This relates to how the consumer perceives the performance of the technology when completing an action (Alfa'izy et al., 2023). Attributes of performance expectancy is when the mobile payment applications have multiple functionalities and which enables a user to complete a transaction in an efficient precise manner (Rahman et al., 2024).

It is considered a benefit to Generation Z if they are able to transact in a faster, easier, and more efficient manner (Lisana, 2024). According to Al-Qudah et al. (2022), consumers place value in technology which will make their lives easier. This is supported by Purohit et al. (2022), who stated that technology will be adopted if the consumer believes that it will save them time and is a more convenient way of transacting in comparison to cash, as it enables them to transact from anywhere in the world at any time.

Studies by Silanoi et al. (2023) as well as Shana and Debbie (2022) support the theory that if technology is perceived as useful, there will be a positive attitude towards behavioural intention. This is also in accordance with Martinez and McAndrews (2023), who state that performance expectancy can be a powerful antecedent towards behavioural intention as mobile payments create efficiencies and are time-saving solutions. Further to this, Nur and Panggabean (2021) posit that positive behaviour is driven when there is a realisation that mobile payments are essential for the facilitation of financial transactions.

2.2.2 *Effort expectancy and the use of mobile payments*

“Effort expectancy is the degree of ease associated with consumers’ use of technology” (Venkatesh et al., 2012, p. 159). If there is little effort required to use an application, it is considered to be user-friendly, consumers are drawn towards these types of applications, which could lead to adoption (Truc, 2024).

Effort expectancy can be an influential antecedent towards making use of mobile payments; however, Silanoi et al. (2023), opine that considering Generation Z’s exposure to technology from an early age, there is minimal effort required by this demographic to make use of digital payments. Similarly, Sleiman et al. (2023) believes that effort expectancy does affect behavioural intention as consumers have constant exposure to smartphones, making apps easy for this demographic to use. In addition, Agardi and Alt (2022), are of the opinion that Generation Z considers mobile payments to be a well-established technology and does not consider effort expectancy to be high on their priority list.

Contrary to the previous researchers, Lisana (2024), is of the opinion that if the solution is intuitive with a user-friendly interface, Generation Z will make use of mobile payments. Research by Slazus and Bick (2022), concur that the ease of use of digital payments, which is created with the consideration of enhancing the user experience (UX), will positively influence a consumer’s choice.

Purohit et al. (2022), believe that Generation Z look for mobile applications that are fast and easy to use as they are conscious of time. Mobile solutions that are easy to use boosts the user’s confidence, enabling the completion of the transaction to be faster, which in turn will have an impact on performance expectancy (Alfa'izy et al., 2023). Further studies reinforce that if technology is easy to acquire, navigate, and use, there is a positive effect on performance expectancy leading to a high probability of usage (Penney et al., 2021; Wei et al., 2021).

Proposition 1 For Generation Z, the ease of learning and making use of mobile payment applications is important. They have a preference for fast, efficient user-friendly and intuitive interfaces which will simplify their banking.

2.3 Trust and price value as potential barriers for Generation Z when selecting a bank's mobile payments

Research will be conducted to explore the potential barriers to making mobile payments.

2.3.1 *The role of trust in mobile payments*

Although the UTAUT2 framework by Venkatesh et al. (2012), was created with the consumer in mind, it lacks an essential construct, perceived trust, which is a crucial aspect of modern-day technology. Perceived trust is the confidence that Generation Z has in the technology that they are transacting on; that it is safe, secure, and reliable (Nur et al., 2021). Perceived trust is the sense of security that the user has both in the system provider and the mobile application (Al-Qudah, et al., 2024).

Perceived trust is an important construct when related to financial transactions (Penney et al., 2021). Bank X must ensure that they have robust cybersecurity to instil trust in its consumers to use its applications. Cybersecurity is the practice of protecting systems, networks, and programs from digital attacks. These cyberattacks are usually aimed at accessing, changing, or destroying sensitive information; extorting money from users; or interrupting normal business processes (Cisco,nd) (as cited in Armstrong & Lee, 2021). Consumers will use mobile payments if they trust that the technology that they are making use of is secure (Alfa'izy et al., 2023). Security is important to Generation Z, and their preference is to use digital solutions which they trust to be secure payment methods (Kaabachi et al., 2022; Silanoi et al., 2023; Wei et al., 2021).

Perceived trust that robust security measures are implemented can accelerate consumer's use of technology; they need the assurance that the right data encryption methods are utilised and that security measures such as two-factor authentication, secure payment gateways and tokenisation are in place (Al-Qudah, et al., 2024).

A consumer will make use of mobile payments if they perceive that their finances and personal data are secure (Penney et al., 2021). According to Sleiman et al. (2023), it is important to have trust in the banking application as this reduces the fear and insecurity of adopting mobile payments. Ensuring that their data is safe is important to Generation Z, and safeguarding personal information is an important aspect of mobile payments. If there is no perceived threat to personal information and finances, this leads to positive intent to make use of technology (Kaabachi et al., 2022).

2.3.2 *Price value in the adoption of digital payments*

Price value is the cost that the consumer will pay for technology in exchange for the benefits that they will derive from making use of it (Venkatesh et al., 2012). Price has an impact on Generation Z, who are generally sensitive towards downloading applications for which they must pay and are only willing to pay for essential apps (Axcell & Ellis, 2023). Banking can be considered to be a grudge payment; therefore, free banking services and low prices appeals to this demographic (Kaabachi et al., 2022; Penney et al., 2021).

Further research aligns with Venkatesh et al. (2012) that Generation Z will adopt a traditional bank's mobile payments application if they perceive that they will derive more benefits in terms of cashback, rewards, or coupons in comparison to the fee they must pay for the transactional activity (Purohit et al., 2022). Rewards can be implemented to attract or entice the consumers to make use of the bank's digital payments, while simultaneously showing the consumer that the bank values their business (Windasari et al., 2022). While loyalty and rewards are important benefits

when weighed up against the price of digital payments, it should not come at the cost of the security of the applications (Slazus & Bick, 2022).

Proposition 2 – Generation Z prefers mobile payment applications that are safe, secure and cost effective with additional benefits in the form of cashback, rewards, or vouchers.

2.4 The impact of society on Generation Z's use of a specific bank's digital payment application

Aside from the mobile payment application provided by the incumbent there are emotional constructs which can impact adoption and usage, one of these is social influence (Venkatesh et al., 2012).

2.4.1 *The relationship between social influence and Generation Z s adoption of mobile payments*

Although social influence does not relate to how the technology works in terms of ease of use or intuitive navigation, it does have an impact on behavioural intention. "Social influence is the extent to which consumers perceive those important others (e.g., family and friends) believe they should use a particular technology" (Venkatesh et al., 2012, p. 159).

Social influence plays an important role when it comes to adopting technology and can on occasion be seen as a way to conform to be accepted by society (Dendrinos & Spais, 2023). Generation Z is inclined to be influenced to use mobile payments by their social network, Kurniawan and Jesica (2024); this includes family, Nur and Panggabean (2021), the community, Penney et al. (2021) peer groups, a spouse Rahman et al. (2024), and celebrities (Wei et al., 2021).

Social influence can have a direct impact on behavioural intention, if consumers have a positive experience with technology, they are more likely to suggest it to those that they socialise with (Rahman et al., 2024). This is aligned with Malarvizhi

et al. (2022), who indicated that when a consumer is ready to adopt technology, they will take advice from their social network.

Research indicated that the type of technology used by Generation Z will help in elevating their social standing (Wei et al., 2021). Further research has shown that social influence could be the construct which has the most influence towards the intention to use mobile payment applications. This is due to Generation Z being highly influenced by their peers, as these are the people with whom they spend the most time with and whose opinion matters the most (Purohit et al., 2022). This is in line with the opinion of Windasari et al. (2022), that social influence contributes towards creating confidence in new applications and Generation Z are significantly influenced by their peers, who can have an effect on their behavioural intention.

Proposition 3 (P3) – The opinions and recommendations of social networks, family and peers have a significant impact on which mobile payment application Generation Z will make use of. Generation Z are influenced by the endorsement of these technologies.

The literature review examined constructs performance expectancy, effort expectancy, price value, perceived trust and social influence to understand the behavioural intention of Generation Z employees at Bank X toward adopting digital payment applications. These constructs drawn from the UTAUT2 framework and extended with perceived trust, provide a comprehensive foundation for exploring the factors influencing the digital payment adoption. The insights gained from the literature review inform the development of the conceptual framework and guide the qualitative analysis presented in the following chapters.

2.5 ANALYTICAL FRAMEWORK

2.5.1 *Theoretical Framework*

The UTAUT2 theoretical framework is depicted in figure 4, the light lines represent constructs from the original UTAUT framework, while the darker lines indicate the additional constructs and relationships included in UTAUT2 (Venkatesh et al. (2012). The diagram shows that constructs performance expectancy, effort expectancy and social influence have a direct effect on behavioural intention (Richard et al., 2025). It further illustrates that facilitating conditions and behavioural intention influence the actual use of technology (Venkatesh et al., (2012).

The diagram below presents the UTAUT 2 framework:

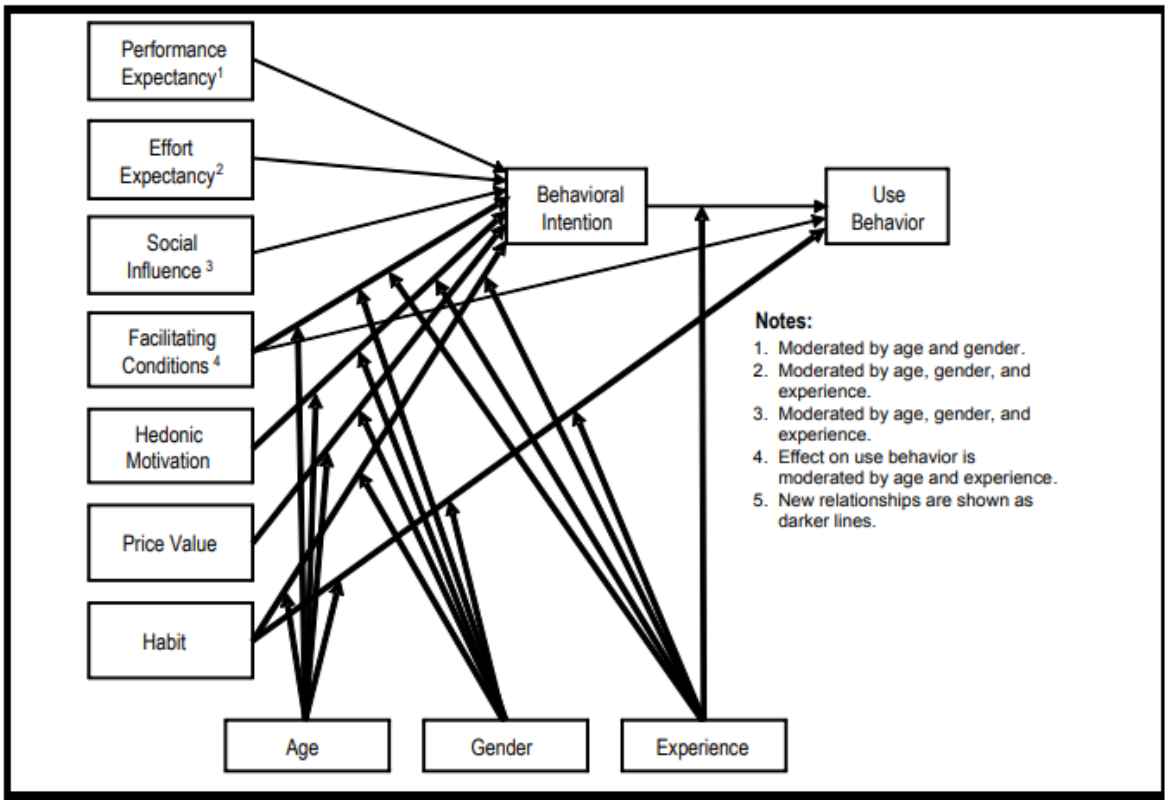


Figure 4: UTAUT2 theoretical framework (Venkatesh et al., 2012, p. 160)

The UTUAT2 framework is widely used to understand what drives behavioural intention towards the use of mobile payment applications (Truc, 2024). Bank X can adapt this framework to comprehend the behavioural intention of Generation Z from Unit Y regarding mobile payments. By identifying the factors that influence their technology adoption behaviour, a traditional bank can determine which innovative solutions to considered during its digital transformation journey. The constructs from UTAUT2 included in this study are performance expectancy, effort expectancy, social influence and price value (Venkatesh et al., 2012).

2.5.2 *Conceptual Framework*

The conceptual framework of this study builds on the UTAUT2 theoretical framework by (Venkatesh et al., 2012). It has been adapted to include perceived trust, which is an import element for Generation Z when they are taking into consideration which bank's digital payments application to use. This construct is also crucial for Bank X to consider during its digital transformation.

Below is the conceptual framework of the study:

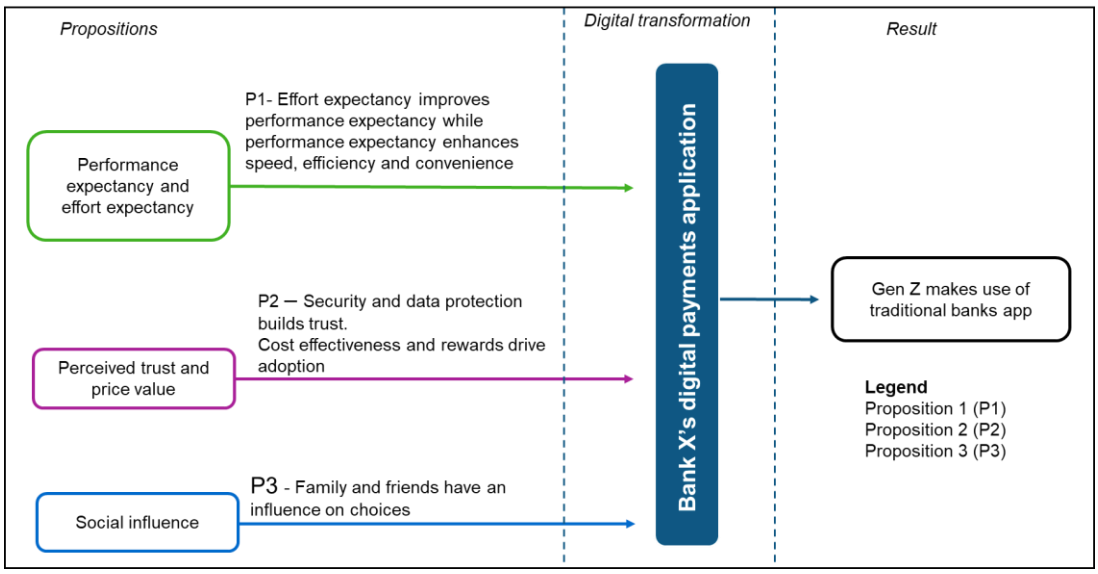


Figure 5: Conceptual framework

The conceptual framework considers how performance expectancy, effort expectancy, perceived trust, price value and social influence impact the behavioural intention of Generation Z in determining which bank's digital payments to use. If these constructs are applied, they could provide Bank X with a competitive advantage, potentially attracting Generation Z to use its digital payment application.

Perceived trust has been included as an extension of the UTAUT2 framework, considering the adoption of modern-day technology can be significantly improved if the consumer has confidence that the application provided by Bank X is trustworthy (Penney et al., 2021).

2.6 Conclusion of Literature Review

If Bank X applies the constructs in the conceptual framework during the digital transformation journey, it could significantly improve the chances of attracting Generation Z to make use of its digital payment application.

The propositions derived from the literature review form the basis of the conceptual framework and could provide Bank X with key considerations on how to drive behavioural intention:

Proposition 1 (P1) incorporates the construct performance expectancy and effort expectancy. Performance expectancy indicates that if the consumer perceives that the technology is efficient and can create value, there will be a positive influence on behavioural intention. Effort expectancy indicates that Generation Z are digital natives and are adept at making use of technology; an application which is easily accessible and user-friendly will influence performance expectancy, leading to the adoption of mobile payments.

Proposition 2 (P2) includes perceived trust and price value. Perceived trust was not part of the UTAUT2 theoretical framework; however, it was included as it was a relevant aspect to consider in the Fourth Industrial Revolution. It was ascertained

that robust cybersecurity is an important aspect to build trust in a traditional bank and its digital platforms. Trust in the technology drives the behavioural intention to use. Price value demonstrates that Generation Zs are cost conscious, they will use a traditional banks technology if it is cost effective and if they are able to derive several benefits.

Proposition 3 (P3) Social influence relates to how the people who are associated with Generation Z feel towards making use of a specific incumbent's, mobile payment application. If this demographic social network approves of a traditional bank's digital payment application, they will be inclined to use it.

The literature review analysis has revealed that although researchers may have varying degrees of opinions on the various constructs, the majority agree that if the relevant constructs are applied Bank X can positively influence Generation Zs behavioural intention to use technology.

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides insights into the structure of the research methodology for qualitative exploratory study, which aims to understand the constructs important to Generation Z. It was designed to offer insights to Bank X during its digital transformation to attract this demographic use its digital payment's application. The chapter begins with the research philosophy of constructivism, analysing Generation Z's experience with digital payments, followed by the inductive research logic where themes were created from the literature review. A qualitative research approach was applied to understand the factors that influence Generation Z to use digital payment applications.

This study included a cross-sectional study time horizon, analysing data over a short period of time. Audio recordings and transcripts were used to record and collate the data during the interviews with Generation Z participants from Unit Y within Bank X. Purposive sampling was used by the researcher to ensure that the right demographic was selected. Consent has been obtained from the Managing Executive who reviewed the interview schedule, the research instrument.

Once the data was obtained, a thematic analysis was used to analyse and interpret the data. The study was structured to enable other sectors, and financial institutions to adapt it to use in their studies. There is a full audit trail, including audio recording and transcriptions, to ensure dependability of the data. To maintain ethical standards, Generation Z and Bank X will remain anonymous; the research will exclude the names of the participants and Bank X. The participants received information on the interview process and were advised that they could withdraw at any time.

The chapter will be concluded with the timelines, a consistency table containing the research objectives, propositions, data collection and data analysis methods. Lastly the interview schedule has been included in the annexure.

3.2 Research philosophy

The research philosophy is constructivism. This philosophy asserts that the best way to learn about a subject is to get practical experience, which will enable a person to gain better insights and recall it more effectively in the future (Adom, et al.,2016). Considering that Generation Z are digital natives Silanoi et al. (2023), who have been using mobile devices Sleiman et al. (2023), and Agardi and Alt (2022), from an early age this was the most suitable approach to use. With this approach the researcher was able to explore the practical experience and knowledge that the participants (Generation Z's), have gained from making use of digital payments and to use this information to aid in Bank X's digital transformation.

3.3 Research Logic

An inductive research logic was used in this study. Propositions have been created from the data gathered and analysed during the literature review. The propositions were used to construct the conceptual framework. Once the interviews were concluded, the data was transcribed onto a MS Word document. The transcripts were uploaded onto ATLAS.ti where it was analysed to create codes, categories and subsequently themes. These were related to the research objectives, which was to understand the behavioural intentions of Generation Z. The themes were created to support the conceptual framework and were used to provide recommendations to Bank X on which digital transformation initiatives would be best suited to attract Generation Z to make use of its digital payment application (Bingham, 2023).

3.4 Research approach

A qualitative general research approach was applied and utilises interviews. By interviewing the members of Unit Y, the researcher had an opportunity to gain insightful data to understand what influences Generation Z to adopt digital

payments from traditional banks. This approach was best suited as it allowed the researcher to ask in-depth follow-on questions based on the participants' responses. These follow-up questions led to additional insight into the considerations when choosing a digital payments application (Adom et al., 2016).

The assumption was that Generation Z already had access to, and had assessed, alternative banks' digital payments before deciding on which banks' mobile application to use (Kumawat & Baskaran, 2023). This was important as the researcher needed to understand what were the deciding factors that influenced the customer to select the specific bank's mobile payment offering and to gain insight as to how the constructs from the theory could influence their choices.

3.5 Time Horizons

Cross-sectional studies were used as it enabled the researcher to conduct the interview and analyse the data over a short period. The advantage of a cross-sectional study is that it is neither expensive nor time-consuming. The disadvantage is that it provides a snapshot of Generation Zs preference for digital payments and does not consider that their banking application preferences may change over time (Kelly et al., 2024).

3.6 Data collection methods

The data collection method involved audio recorded, transcribed semi-structured interviews. Audio recording and transcripts were used during the interview allowing the researcher to analyse the data multiple times (McMullin, 2023).

The researcher prepared a set of main questions to guide the direction of the interview. Semi-structured interviews were chosen as the data collection method

because they enabled the researcher to probe the participants with follow-up questions, leading to the sharing of more in-depth information (Ruslin et al., 2022).

The notes taken by the researcher during the interview were helpful when concluding the interview, to confirm the participants' responses and to provide the participant with the opportunity to further clarify any points (Bingham, 2023).

3.7 Population and sample

Interviews were conducted on Generation Z who are employed at Bank X. The participants are employed in Business Unit Y, which has 174 employees. Business Unit Y was selected as it focuses on developing innovative digital financial services for juristic clients. In addition, Business Unit Y was chosen for analysis because it employs a substantial number of Generation Z individuals from varied demographic and geographic backgrounds. This selection is intentional, as it facilitates the collection of data from a diverse group, which will potentially enrich the research findings.

3.7.1 *Sample and sampling method*

The research employed a purposive sampling method, focusing on Generation Z individuals within Business Unit Y. In purposive sampling, the researcher purposefully selects participants who are most relevant to in the study. This method allows for a deeper understanding of the research topic. For a qualitative study between one and twenty participants can be interviewed (Subedi, 2021). In this study 15 participants from Business Unit Y within Bank X were interviewed, as data saturation had been reached. No new value adding data for the study was shared by the participants (Aguboshim, 2021).

The age criteria to be met by the participants was between the ages of 22 and 28 years. To interview the correct demographic, the interviewer first interacted with

the participants to determine their age. Once the age criteria were met, the participants were invited to participate in the interview.

3.8 The research instrument

The research instrument was a semi-structured interview schedule, which was created and shared with the participants prior to the interview. The interview guide was provided to ensure transparency and to help participants feel prepared and comfortable during the interview process. Participants were informed that the interview was recorded and transcribed to produce the research report. Semi-structured interviews were chosen as the data collection method because they allowed the researcher to ask open-ended and follow-on questions, enabling a deeper understanding of how the participants decided which bank's mobile application to use (Ruslin et al., 2022).

The interview guide consisted of 13 questions, categorised to the constructs in the literature review: performance expectancy, effort expectancy, perceived trust, price value and social influence. These constructs were selected due to the relevance to both technology adoption and the Generation Z demographic.

For the construct performance expectancy, three questions explored the benefits a participant believed they would gain from using mobile payments, such as convenience and efficiencies. Two questions related to effort expectancy assessed the ease with which the participants were able to utilise digital payments. The perceived trust construct included three questions to evaluate the importance of trust is in technology, focusing on security and privacy. Price Value comprised of two questions to examine the cost that the participants were willing to incur in exchange for the benefits of mobile payments. Three questions investigated how society, including family, friends and social media influencers, influenced the

participant to choose a banking partner. With this structure there was alignment with the research objectives while providing the participants the flexibility to expand on their experiences (Venkatesh et al., 2012).

The interview schedule with the questions relation to the constructs can be found in Appendix A

3.9 Procedure for data collection

Consent from the Managing Executive of the business unit was obtained first. Thereafter the researcher engaged with each participant to determine their interest to participate in the interview.

For the participants who agreed to be interviewed, they were provided with the consent form to obtain their consent in writing and to explain the process which was followed when gathering and analysing the data. In addition, the list of questions was shared with the participant before the interview took place. This was included in a meeting invitation. The invitation reiterated the procedure and that both the participant and the details of the traditional bank will remain anonymous.

The interviewer reiterated why the interview was being conducted and that the bank and participants would remain anonymous. The participants were advised that they could choose to opt out of the interview at any time. Consent from the Managing Executive was obtained as the interviews took place during office hours at the participant's place of employment and all participants were from Business Unit Y (Klykken, 2021).

3.10 Data analysis strategies and interpretation

To analyse and interpret the data, thematic analysis was employed. Once the interviews were transcribed the researcher reviewed the transcripts multiple times to gain an in-depth understanding of the data. The transcripts were then uploaded onto the ATLAS.ti for analysis. Initial codes were generated and grouped into categories which were further examined to identify the emerging themes. Relevant quotations were selected to support the themes and enrich the research report (Muhammad et al., 2023).

3.11 Possible limitations and challenges of the study

The study was limited to Generation Z at Bank X, Business Unit Y, which was a pre-selected traditional bank. It does not provide insight into what influences the rest of the South African's population to adopt digital payments. A national study will provide further insights on this demographic.

If the participant did not make use of digital payments before they were employed, and the traditional bank is the first place of employment, there is a possibility that they may have chosen to make use of the traditional bank's mobile payments out of convenience. This may limit the study if the reason for choosing the bank was out of convenience rather than behavioural intention. Selecting participants who work at a diverse range of organisations will provide further data on how this demographic selects which mobile payment application to use.

The limitation of the population sample is that there were a minimal number of males in business Unit Y who fell under the category of Generation Z. Of the 15 participants interviewed there were 12 females and only three males. Therefore, a proper analysis of how different genders tend to choose the mobile payment application could not be conducted in this study.

A challenge experienced during the transcribing phase is that MS Word and MS teams were at times unable to decipher some words due to the accents or improper articulation. Listening to the audio recording while transcribing helped to ensure that the correct data was captured.

Adhering to the set meeting times for the interviews were sometimes a challenge, as some interviews had to be rescheduled. Work related matters had to take precedent over the interviews which impacted the allotted time to gather the data. Meetings were scheduled during the participants lunch breaks, to reduce the impact on the business (Ross et al., 2019).

3.12 Quality Assurance

Trustworthiness in qualitative research is essential for establishing credibility and reliability in the research findings. It encompasses components such as transferability, dependability, credibility and confirmability, which together form the foundation of rigorous qualitative research (Ahmed, 2024).

3.12.1 *Transferability*

Transferability in a qualitative study is the ability to transfer the research findings to contexts through purposive sampling, reflexivity or thick description (Enworo, 2023). The purposive sampling of Generation Z enhances the study's transferability, as selected participants have different cultural backgrounds and are from different geographical regions, which will afford the research to have multiple perspectives into what drives behavioural intention to use mobile payment applications.

The semi-structured interviews provided context and insights into the key factors influencing the participants' choice of specific payment applications. Additionally,

it allowed for a deeper exploration of the nuances in each participant's digital payment requirements.

The research can be tailored for various sectors undergoing or planning digital transformation, aiming to attract a specific demographic. The full transcripts are available; however, insights gathered from the interviews has been transposed to the research report for ease of reference and to provide an understanding of what an organisation should focus on to attract and create loyal customers

3.12.2 *Dependability*

There is a full audit trail of the interviews, which will be available on request (Singh et al., 2021). This includes the semi-structured interview guide as well as the transcripts from the interviews. Throughout the data collection process, audio recordings took place. The procedure and methods utilised to analyse the data collected during the interviews have been annotated in the report, and thereafter the themes and research findings were documented.

3.12.3 *Credibility*

There are multiple strategies which can be used to enhance the credibility of a qualitative research study. These include amongst others, triangulation, prolonged engagement at site and member checks. This study employed the collection of referential adequacy material which involved audio recording the interviews and transcribing them. This allowed the researcher to repeatedly refer to the data during the analysis and interpretation, thereby strengthening the credibility of the study (Kakar et al., 2023).

Although prolonged engagement was not employed, the researcher had a longstanding relationship with the participants, as they all worked in Business Unit Y. This familiarity fostered a sense of trust between the researcher and the participants.The rapport established enabled the participants to feel comfortable to share their experiences with digital payment applications, providing valuable

insights into the factors they consider when choosing which bank's application to use (Ahmed, 2024).

3.12.4 *Confirmability*

To ensure confirmability in the qualitative study, the researcher discussed the findings with peers to enhance objectivity. Additionally, the researcher confirmed the accuracy of the data with the participants during the interviews to ensure that the information was correct and suitable for further analysis (Chakma & Li, 2025).

3.13 Ethical considerations

According to Mirza et al. (2023), when conducting research, it is the researcher's responsibility to ensure that the priority is that of the participant's and not the research proposal. The participants were treated with respect during the entire process of the research and were not discriminated against due to age, gender, race, political beliefs or religion. The voice of the participants was the focal point and not that of the researcher. The intention was to collate unbiased data for analysis while ensuring that the participants remained anonymous. Participants can receive a copy of the transcript. There is an audit trail and audio recording to establish credibility, reliability, transparency and trustworthiness.

The risk level of this research is minimal, as all participants will be over the age of 18 and the questions relating to their decision on how they decided which mobile banking application to make use of will be in the context of their personal capacity. These are not invasive questions.

Formal permission has been obtained on a company letter from the Managing Executive to interview the employees. The letter informed the Managing Executive that the interviews were to take place at the participants' place of work during their lunch hour. The information provided by the participants will be in their experience

of assessing digital payments in their personal capacity. The traditional banks name and those of the participants will not be divulged.

Data was collected through audio recording and has been transcribed through Microsoft Word and Microsoft Teams. A consent form has been obtained from each participant. The participants have been advised that anonymity cannot be guaranteed; however, every effort will be made to maintain their anonymity. Transcripts will only be available to the requesting examiner, who will have to delete all transcripts once reviewed and no longer needed.

The participants who met the criteria in terms of age were e-mailed to obtain their consent; thereafter, a formal meeting invite was sent, together with the process which was to be followed and the semi-structured interview guide. The participants did not receive any financial incentives. Data will be stored digitally and will be destroyed after five years.

3.14 Proposed schedule and timelines

Table 2. Below are the timelines for the research project

Activity	Description	timeline
Submit the research proposal	Submit the research proposal which has been approved by the Supervisor with Ethical clearance documents.	19 August 2024
Proposal defence	Prepare the 10-minute presentation for the proposal defence.	19th – 25th August
Presentations	Present defence case to the research panel.	26th – 29th August
Interviews	Interview the participants.	02nd – 12th September
Transcripts	Ensure that the transcripts are correct and ready for analysis.	13th – 30th September
Attend workshops	Attend qualitative analysis workshop to understand how to create codes and themes from the data in order to create recommendations for Bank X.	18th – 19th October
Write-up	Data analysis and write-up of finding for final submission.	20th October 2024 to 15th January 2025
Supervisor Review	Supervisor to review and researcher to make final changes.	15 – 30 January
Final Formatting	Researcher to finalise the research project and complete formatting for final submission.	February 2025

Table 2. Consistency table: research objectives, propositions, data collection and data analysis method

RO #	Research Objective	Prop #	State Proposition	Data collection detail	Data analysis method
1	**To determine if performance expectancy and effort expectancy have an influence on Generation Z to make use of mobile payments.**	1	For Generation Z, the ease of learning and making use of mobile payment applications is important. They have a preference for fast, efficient user-friendly and intuitive interfaces which will simplify their banking.		
	Performance expectancy and the use of mobile payments.			Interview guide questions 1, 2 and 3	Thematic analysis
	Effort Expectancy			Interview guide questions 4 and 5	
2	**To ascertain if trust and price value are potential barriers for Generation Z when determining which banks mobile payments to make use of.**	2	Generation Z prefers mobile payment applications that are safe, secure and cost effective with additional benefits in the form of cashback, rewards, or vouchers.		

RO #	Research Objective	Prop #	State Proposition	Data collection detail	Data analysis method
2.1	The role of trust in mobile payments			Interview guide questions 6,7 and 8	Thematic analysis
2.2	Price value in the adoption of digital payments.			Interview guide questions 9 and10	Thematic analysis
3	**To understand if society has an impact on Generation Z to make use of a specific bank's digital payment application.**	3	The opinions and recommendations of social networks, family and peers have a significant impact on which mobile payment application Generation Z will make use of. Generation Z are influenced by the endorsement of these technologies.		
3.1	The relationship between social Influence and Generation Z's adoption of mobile payments			Interview guide questions 11,12,13	Thematic analysis

CHAPTER 4. PRESENTATION OF FINDINGS

4.1 Introduction

To achieve the objectives of the research, interviews were conducted on 15 participants from Bank X. The interviews were transcribed into MS Word documents and the transcripts were subsequently uploaded to ATLAS.ti. An inductive approach was used to analyse the data, allowing the researcher to identify the codes, categories and themes.

The findings from the interviews will be explained in relation to each Proposition which emerged from the literature review in Chapter two. Each theme is presented with the researcher delving deeper into each code to provide a comprehensive view of the data analysis.

The findings from the research indicated that Bank X should focus on the construct of performance expectancy, as Generation Z values fast and efficient solutions. Effort expectancy was found to play a minimal role, as participants require little to no effort to acquire and use mobile applications. Furthermore, it was found that with the right security measures in place, trust can be established. With competitive pricing and customised rewards, a traditional bank can attract the Generation Z participants to use its mobile payments application. From a social influence perspective, Generation Z's family and friends have the highest influence on this demographic's choice of banking partner.

4.2 Demographics of participants

All participants included in this study were Generation Zs from Bank X. Twenty percent of the participants were male with eighty percent of the participants being female. In determining the split between how many participants banked with digital only banks and traditional banks, the research findings revealed that two participants made use of digital only banks, two made use of a combination of digital only and traditional banks and eleven banked purely with traditional banks. Five of the participants were multi-banked, with two making use of a combination of traditional and digital only banks and three making use of multiple traditional banks.

Table 3: Demographics and bank type

Participants	Gender	Traditional/Digital only bank	Multi-banked
1	Female	Digital only bank	No
2	Female	Digital only bank	No
3	Female	Traditional bank	No
4	Female	Traditional bank	Yes
5	Female	Traditional and Digital only bank	Yes
6	Female	Traditional bank	No
7	Female	Traditional bank	No
8	Female	Traditional bank	No
9	Male	Traditional and Digital only bank	Yes
10	Female	Traditional bank	Yes
11	Male	Traditional bank	No
12	Female	Traditional bank	No
13	Male	Traditional bank	Yes
14	Female	Traditional bank	No
15	Female	Traditional bank	No

4.3 Findings pertaining to Proposition 1

Proposition 1 - For Generation Z, the ease of learning and making use of mobile payment applications is important. They have a preference for fast, efficient user-friendly and intuitive interfaces which will simplify their banking.

Performance expectancy

Generation Z values mobile payment applications which enhance their banking activities by making transacting faster, easier and more efficient.

Table 3. Theme, category and codes for performance expectancy P1

Theme	Category	Codes
Generation Z values the convenience provided by mobile applications which are characterised by its speed and efficiencies	Performance expectancy	Convenience, Efficiency, Speed, and Downtime

The objective was to understand how performance expectancy influenced the participants' decision-making process when evaluating which bank's mobile payment application to use.

The findings from this research indicate that the participants have a preference for mobile payment applications that are easy to navigate, convenient, and solutions that enables them to transact quickly. In addition to this, the value adding solutions such as the ability to purchase data, electricity and airtime on the app adds another layer of convenience for this demographic.

Convenience: All 15 participants indicated that the mobile payment app was the preferred method of transacting compared to going to the branch or utilising

internet banking via a laptop. This preference is due to the significantly high level of convenience the mobile app offers. The participants are conscious of time and always have their phones with them; therefore, the mobile app enables the participant to safely and promptly conduct transactions from any location at any time. The participants find the mobile application more convenient than a laptop, as they do not always have their laptops with them, and it is relatively safer to use when in public should they need to facilitate a payment.

Participant 9: "Mobile is way better because it's sort of convenient, in the sense most of the time you're very busy and you can't have time to go to the branch at any point in time. You have your mobile it's way easier to transfer money."

Participant 12: "Using the app is much more convenient because it's at your fingertips as compared to holding a laptop, you can't open the laptop in a public space but on the contrary, you can freely use your phone and hopefully no one is peeking it what you're doing."

The application further enhances convenience and the user experience by integrating all necessary features into a single interface. Through the mobile application, participants can facilitate payments, transfers and invest surplus funds. Further to this the participants have access to statements, digital proof of payment, credit scores and the value-added benefit of being able purchase data, airtime and electricity.

Participant 11: "*If I have a helper coming to clean and then I need to pay her, it's just easier for me to use the mobile app and pay her or even with bills like your Wi-Fi, electricity you can pay it straight from there."*

Digital service via Chatbots: The participants have indicated that for easy questions, they would prefer to use a Chatbot. For more complex queries, they will contact their banker telephonically or via email and as a last resort they will visit the branch. With the chatbot they can get a response faster as they do not have to wait in a queue at the branch.

The benefit of the Chatbot is that it saves the participants time and reduces the need for human interaction. In addition**,** the chatbot is at times more convenient as they can get an answer to a query at any time of the day without having to wait for working hours to visit a branch or to phone the Call Centre. The challenge with certain Chatbots is the predetermined questions and answers, which may not help solve a specific query. In addition, participants also felt it easier to explain a problem in their vernacular, which they cannot do with a Chatbot.

Efficiencies: Mobile payment enhances efficiency for participants by enabling the timely completion of multiple service types on one single platform, with the added benefit of easily providing the beneficiary with proof of payment. The mobile application creates efficiencies as the participants can just select who they want to pay, at the click of a button and conclude the payment, as opposed to wasting time driving to a branch and standing in a queue to make a deposit into a beneficiary's account. The participants have also shared that the payment options via the mobile app have become more efficient with the introduction of PayShap, as it allows beneficiaries to access their funds immediately.

For participants using digital only banks, they find that the added benefit and subsequent efficiency created is that they have the ability to upload documentation. They do not have to go into a branch to produce documents as required by certain traditional banks. The mobile app is more efficient as they have the ability to open an account, create a banking profile and submit the required documentation (if needed) through the app.

Participant 4: "Same with my church thithes, I can just make a direct transfer, and with booking flights and everything I can do that on the app so it's made everything efficient, and I can execute as I'm thinking of actually doing the transaction. I don't have to wait for two days in order for me to be able to process the payment."

Speed: Participants prefer to use fast mobile apps due to their busy schedules, allowing them to complete payments quickly and efficiently. While some

participants believe that the speed of different banks' mobile apps is similar, others hold the view that certain banks' mobile applications are faster and tend to use the perceived faster mobile application for urgent payments. The speed at which participants are able to transact is a crucial factor when deciding which mobile payment application to continue using or gain access to.

Participant 10: "*I think it helps me with the speed I think the speed of transacting is the most important for me*."

Participant 6: "I can say 9 out of 10, if I can rate it. It must be quick."

Participant 5: "The quicker the better it. If I know one app's quicker than the other, I'm gonna go for that one."

Downtime: Participants use mobile payment applications due to the level of convenience they offer; therefore, they prefer apps that they always have access to and have minimal downtime. System outages can influence their choice of application. They want access to mobile payment applications that are readily available whenever they need to transact and expect quick turnaround time for the system to be uprunning again in the event that it does go offline.

Participant 2: "*The reason why I stopped using Capitec was because of all the issues they used to have."*

The findings of the research indicate that performance expectancy is a crucial factor that encourages usage behaviour, as it adds value for the participants by making transacting through the mobile application more convenient. The participants value digital solutions which are convenient, fast and want solutions that will create efficiencies in their day-to-day banking.

Effort Expectancy

For Generation *Z*, the ease of learning and making use of mobile payment applications is important. They have a preference for user-friendly and intuitive interfaces which will simplify their banking.

Table 4. Theme, category and codes for effort expectancy in P1:

Theme	Category	Codes
Minimal effort is required to acquire and utilise mobile payment applications	Effort expectancy	Acquiring/downloading process, and Learning process

The research objective was to determine whether the ease of obtaining and learning to use an app would influence the participants' behavioural intentions.

Acquiring/downloading process: The process of downloading an app is easy and required minimal effort as the participants can easily locate and download the desired mobile application from either the Play Store or the App Store.

Participant 5: "All of them you can easily, well, a lot of them, you can easily download from like the Play store. So, it's a matter of just finding it."

Participant 11: "Downloading took like a minute, depending on Wi-Fi speed, straight from play store."

Participants who used digital only banks or who were multi-banked advised that the process to acquire the digital only banks app was the easiest, as everything was done via the app or a kiosk. For the participants who made use of the kiosk, the process included opening an account, downloading the app, verifying the participants details with home affairs and immediately being issued with a credit card. If part of the onboarding process entailed a visit to branch to drop off documentation, it was considered to be time consuming, cumbersome and not an experience which they would like to repeat.

Participant 2: "In terms of acquiring Tyme Bank is the most efficient. That's why I chose it. Like 5 minutes. I don't need anyone to assist me. It's, like easy prompt,

efficient, easy done within 5 minutes. You have your card; you can start transacting or using your card."

Learning process: When asked about how easy it was to learn to use the mobile banking application, participants indicated that learning to use the app was fairly easy for them. The participants either learned on their own because the apps were self-explanatory, used the online tutorial, or in a few cases the participants were taught by a family member.

Although the participants prefer using intuitive mobile payment applications, they find that understanding how to use an app comes easily to them since they perceive all banking apps to be similar. In addition, participants indicated that a few reasons why using an app comes easily to them include having gained access to mobile devices from an early age and constantly using their phones. While mobile apps are easy for participants to use, they have indicated a preference for a simple user interface that is easy to navigate.

Participant 1: "I think it's because like it's easy for me to use a phone, something I've been using since I was 13. Like it's all apps are easy to figure out when you know how to use a phone."

Participant 2: "You just figure it out for yourself."

Participant 3: "I think because I am a Gen Z it was quite easy, it wasn't difficult."

The research findings indicate that the construct of effort expectancy will not influence behavioural intention, as it does not take much effort for participants to obtain and learn how to use mobile payments. However, effort expectancy could influence the performance expectancy, as participants want to utilise apps that are easily accessible, easy to navigate and which are intuitive.

4.4 Findings pertaining to Proposition 2

Proposition 2 – Generation Z prefers mobile payment applications that are safe, secure and cost effective with additional benefits in the form of cashback, rewards, or vouchers

Perceived trust

Trust in the security of a mobile payment application is important for Generation Z. They need the assurance that their finances and personal data are safe and secure.

The research objective was to determine whether trust in a bank's cybersecurity measures influences Generation Z's willingness to use its mobile application.

Table 5. Theme, category and codes for Trust in P2:

Theme	Category	Codes
Lack of adequate information on security measures can be a barrier for Generation Z to use a banks mobile application	Security	Review of security information before downloading an application, Authentication methods are important, and Data and funds must be safe.

Security is an important factor to the participants, with preferences for having information on cybersecurity measures that the bank has in place before they download the app.

Review of security information before downloading an application: While security is one of the most important aspects of banking for the participants, not all of them checked the security features before downloading the app.

The findings during the interviews indicate that there are two sets of Generation Z participants. One set of participants feels that the trust is implicit when downloading a banks mobile application; therefore, they do not review the security features before the download process. These participants automatically trust that the necessary security measures are in place simply because the app that they are downloading is from a bank which is a trusted institution. This includes participants that are using both the digital only and traditional banks mobile applications.

Participant 1: "I kind of assume all of the banking apps are the same level of security."

The other set of participants have a different mindset regarding security. When dealing with their finances, understanding the security measures that the bank has in place is a crucial factor in their decision making. The participants have indicated that readily available information is key when deciding which banking application to utilise. They conduct research on the potential banks and they read reviews for each bank to ensure that they make an informed decision.

Participants believe that if a bank provides the client with the security measures before they can download the app then there is a higher level of trust in the bank. It provides the participants with a level of confidence that the bank is serious about having the right cybersecurity measures in place. These participants have a preference to download the banking application that states the security measures upfront.

Participant 7: "If before downloading the application it doesn't state, these are the steps or measures we take on the app, I think it would sort of put me off downloading an application or it would make me more wary of using that app compared to another banking application that did offer security measures upfront."

Secure data and funds: Participants have shared that security is an important aspect in relation to their banking. Information or data breaches factor high on

their priority list as they do not want their personal data to be stolen and subsequently sold. Their concern is that if their account has been hacked or data has been stolen, their run the risk of losing the funds in their account or they could potentially be victims of identity theft. The participants need to have peace of mind that they are dealing with a reputable and trustworthy bank and that the application that they are using has robust security measures in place to ensure that both their personal data and funds are safe.

Participant 9: "As long as I'm comfortable or I can see that most of the time they've been trustworthy in protecting my data, I'll use that."

Authentication methods are important: The participants have expressed that the type of authentication methods that the bank has in place for its mobile application is of particular importance. Two-factor authentication is the preferred method. They do not trust applications that are easy to access with minimal to no security verifications methods in place. Participants prefer to make use of applications that have strong security requirements in place such as the need to enter either a PIN and password, fingerprint or facial recognition.

They believe that longer password requirements enhance the security of the mobile payment application. It is crucial for the participants that there are stringent security measurements in place to be able to access the app, not only in the event that their phone is lost, stolen or hacked but also to prevent unauthorised access by friends, family or peers who may be using their mobile device. The participants feel that the security of the mobile payment application should not be compromised and that they would rather pay a higher fee to transact via the app to ensure that their funds and data are secure.

Participant 8: "I am happy that the app has pins and fingerprint when you login. I feel like security matter the most, the bank charges can be cheaper but if there is no security then it's pointless. I would rather pay more knowing that your money is safe."

Notifications: Trust can be enhanced with the provision of real-time notifications, which is sent to the participant each time a transaction has been processed or when there are changes to the profile, such as changes to the profile limits or account limits.

Price Value

Generation Z prefers mobile payment applications that are cost-effective, especially those that provide additional benefits in the form of cashback, rewards or vouchers.

Table 6. Theme, category and codes for effort expectancy in P2:

Theme	Category	Codes
Low fees and customised rewards will attract Generation Z to adopt a banks mobile application	Price value	Lower fees, and Customised rewards

The participants preferred a mobile application that offered value for money.

Lower fees: the findings from the research indicate that perceived value can be a barrier for the participants if the cost to transact via the mobile application is too high. The participants prefer to use applications that attract lower transacting fees and where the benefits outweigh the costs. If there is a cost associated with downloading the banking application, they would prefer to look for an app which offers the same features and benefits without a download fee, while not compromising on security.

Participant 13: "If the cost is too high, I would definitely not use it."

The participants shared that the transaction fees influence which app they will use, considering that the features of the mobile payment applications offered by different competing banks are similar. When choosing which application to use,

the participants consider the potential subscription fee, transaction fee as well as the deposit and cash withdrawal fees.

Participant 9: “Tyme bank and compared to other different banks it's way less compared to when you maybe withdrawing or depositing or transferring money.”

The participants would prefer pricing structures based on age and income range, allowing a younger new entrant in the workforce to pay lower banking fees compared to an older person with more work experience and higher income. In addition, banks should be transparent with their bank fees upfront with no hidden costs and high annual price adjustments.

Customised rewards: The findings from the research have indicated that not all participants have activated their rewards or make use of banks that have rewards programmes. For the participants that are part of the rewards programs, the method of earning rewards plays an integral part in how they conduct both their banking and daily activities.

Some participants have mentioned that they are willing to pay higher banking fees to earn rewards from specific banks, as long as the benefits outweigh the cost. In addition, to qualify for the highest tier in the rewards program participants will ensure that their banking, insurance and gym membership is with the same bank. These rewards enable them to get up to 60% off domestic flights and up to 30% off certain retailers when paying with for example, Discovery miles. Other participants have mentioned that they will only fill fuel at petrol stations which are close to where they reside, which are affiliated with a bank and specific pharmaceutical groups to maximise the number of points that they are able to earn.

Participant 1: “The rewards that I get make a very tangible difference to my life.”

Participant 4: “I appreciate services that have a reward system, and I'll try to use that service as much as I can, so if there is a reward system tied to it, there will be more use or observed from my side.”

Participant 6: "I will check if I will get the rewards for this transaction that I'm doing. So, it's making an impact on me and my transactions."

The rewards system plays such an integral part in the participants' bank of choice. Should they feel that another bank is offering better personalised rewards, it could lead to them changing where they bank. Participants have indicated that they will be more likely to use the mobile payments app from a bank which offers rewards which are more customised to their lifestyle. Rewards such as grocery vouchers are more appealing to some participants in comparison to discounts on flights or a percentage off clothes.

Participant 5: "Let's go grocery shopping. At least food is important."

Participant 6: "Maybe you get 50% off on maybe Checkers groceries. If you're using this particular bank for a certain of period of time. I guess I would opt for that instead of getting 30% off of flights."

While the participants are cost conscious, they do not want to compromise on security or the potential rewards that they could earn.

4.5 Findings pertaining to Proposition 3

Social influence

P3 – The opinions and recommendations of social networks, family and peers have a significant impact on which mobile payment application Generation Z will make use of. Generation Z are influenced by the endorsement of these technologies.

Table 7. Theme, category and codes for social influence in P3:

Theme	Category	Codes

Family and friends have the biggest impact on participants choice of mobile application	Social influence	Social influence, Celebrity influence, and Social status.

The research findings indicate that family and friends can influence which app the participants choose, while celebrities do not affect the participants' banking decisions. The choice of banking application does not impact the participants' social status.

Table 8. The contribution of social influence on Generation Z:

No.	Family	Friends	Family and friends	Peers on social media	Own preference or place of employment	Celebrity
1	Participant 2	Participant 6	Participant 3	Participant 14	Participant 1	Participant 10*
2	Participant 4		Participant 10*	Participant 8	Participant 12	
3	Participant 5				Participant 13	
4	Participant 7				Participant 11	
5	Participant 9					
6	Participant 15					

**The green font with the Asterix denotes the participant that indicated that a celebrity, family and friends can have an influence which bank to choose. This participant has been accounted for twice on table 8.*

Social influence: Table 8 presents the impact of society on the participants. It indicates that while family and friends had the most significant influence on the participants in terms of which bank to use, there were several participants who chose their banking app due to their personal preference or chose to bank at their place of employment in order to be able to access the associated staff benefits. A small amount of the participants was influenced to choose their

banking partner due to the marketing initiatives which they were exposed to through social media platforms.

The participants who were primarily influenced by their family do so for multiple reasons. The majority were influenced by their families because these are the people they trust the most. Parents either opened the bank account for them, which they continued to use, or gave them advice on which bank to use. This advice was based on their personal experience of banking with a particular bank and provided the participants with what they felt was the best choice when considering fees (cost), rewards, user experience, interest earned and service.

Participant 4: "I think for me what matters is what my friends and family experience, because that is I think an authentic experience."

Other participants are influenced by their family's choice of bank due to the time it takes for their funds to clear into their account. They will choose to bank with the same traditional bank as their parents or have multiple bank accounts at different banking institutions to ensure funds clear immediately. They do not want to risk banking with another institution in case their parents need to make a payment to them and do not indicate that it is an immediate payment. The participants shared that this is an extremely important factor for them. They will keep the same type of account that their family members use and are willing to pay the additional fees, despite not using the account frequently.

Participant 9: "What if my parents are going to send me money in that particular account?"

Celebrity influence**:** All but one of the participants revealed that they are not influenced by celebrities. The participants are of the opinion that they cannot trust what is endorsed by a celebrity as they are being paid to advertise and will therefore say anything positive about the bank to try and attract clients. The only time a celebrity can influence the participants is when it relates to products such as make-up, apparel or fitness products, they cannot influence them when it comes to financial products.

Participant 3:" Celebrities have track records of endorsing something and then it turns out you are scammed."

Social status: When questioned about how the type of mobile app they use impacts their social status, many participants shared that their social status is not influenced by the app they use. Social status is not something they consider when they are choosing a mobile payments application.

Participant 11: "I don't think it affects my social status."

Participant 15: "If you are an easy person to get influenced then obviously it's going to have a huge impact in your life, but for me it doesn't."

For those influenced by how they are perceived in society, the type of card they use may have an impact, not the mobile app. Black cards and Private Bankers can elevate the participants social status, making them appear more successful in life. They have also indicated that their social status is positively affected if they are banking with traditional banks such as ABSA Bank, First National Bank, Nedbank or Standard Bank, also referred to as the 'Big 4', as they are perceived to have money. Not only does it have an impact on how they are viewed in society, but it also has a positive psychological effect on the participants.

Participant 2: "You know when you have a Capitec card, how people treat you? Like you are brokest person in the world."

Participant 8: "People will look at you like oh she has money when you are using a black card."

Family and friends have more of an influence on the participants than celebrities in relation to their banking activities. While social status is not important to some participants, the ones that do hold value in it have shared that the type of card that they utilise has the biggest impact on elevating their social standing.

4.6 Conclusion

Performance expectancy plays a pivotal role as the participants are positively influenced by an app that offers convenience, speed and efficiency. While effort expectancy has minimal impact, it does not influence the participants when they are deciding which banking partner to choose. This relates to both the digital only and traditional banks. High banking fees and a lack of adequate cybersecurity measures can be barriers for adopting a banks mobile application however, trust can be built. Social status and the participants social network can have an influence on which banking app to make use of.

CHAPTER 5. DISCUSSION OF THE FINDINGS

5.1 Introduction

Chapter 5 provides the discussion of the research findings presented in Chapter 4, which are related to the propositions and the conceptual framework introduced in Chapter 2. Performance expectancy, effort expectancy, perceived value and social influence were selected from UTAUT2 by Venkatesh et al. (2012), to structure the conceptual framework. The UTAUT2 framework was further extended to include perceived trust, relating to the security aspect of the mobile payment application. This chapter demonstrates how each proposition could potentially be included in a bank's digital transformation journey to attract Generation Z to adopt a traditional banks mobile payments application and to drive behavioural intention towards using the technology.

The findings from the research indicate that performance expectancy and social influence can have a positive impact in driving behavioural intention. While effort expectancy does not have an impact on behavioural intention it could influence performance expectancy. A traditional bank can overcome the potential barriers of perceived trust and price value by implementing robust security measures, offering competitive pricing, and by providing personalised rewards for Generation Z.

5.2 Demographics of participants

According to Ramsundra et al. (2025), in South Africa gender does not play a role on the type of bank that Generation Z may choose to adopt. The findings in this research were inconclusive as there were insufficient males who participated in the study to enable the researcher the determine each gender' preference.

5.3 Discussion pertaining to proposition 1

Performance Expectancy

Generation Zs value mobile payment applications that enhances their banking activities by making transacting faster, easier and more efficient. The intention of Proposition 1 was to understand the benefits of mobile payments and how they relate to Generation Z's intention to use the application.

Minimal interaction with branches: For Generation Z, visits to the branch are inconvenient and time-consuming and this demographic does not enjoy human interaction. The findings from the research are aligned with Nur and Panggabean (2021), who have stated that mobile payments are essential for Generation Z to facilitate their banking requirements, as they prefer this method over visiting the branch or using a laptop. The study does however contradict Kaabachi et al. (2022), who believe that due to Generation Z's lack of maturity in relation to financial products, they prefer human interaction when seeking advice on financial matters.

Convenience: the study indicates that the most meaningful driver for Generation Z using mobile payment applications is the convenience they are afforded. This demographic prefers this method of transacting as it saves time and offers ease of access. The findings from the research are aligned with Lisana (2024), and Purohit et al. (2022), that Generation Z values the benefits of fast and easy mobile payments.

Considering that Generation Z always have their mobile devices with them, they have the convenience of being able to transact from anywhere in the world at any time, with the added benefit of being able to perform multiple tasks on the app. The study aligns with Purohit et al. (2022), and Al-Qudah et al. (2022), that the convenience of being able to transact from anywhere at any time positively influences behavioural intention. This is further supported by Al-Qudah et al. (2024), who states that the convenience afforded by mobile payment applications

removes geographical barriers and provides access to transactional capabilities 24/7.

Participants prefer full digital onboarding, where they can download the app, open new bank accounts and upload their proof of address and identity document. This saves them time and is a more convenient way of managing their banking needs. This is supported by Windasari et al. (2022), who states that a completely digital process enhances the customer experience and service and can be the deciding factor for a customer to change their banking partner. Therefore, traditional banks should consider fully digitalising the onboarding process.

The participants shared that they had a preference to use digitised service tools such as Chatbots as it was a more convenient way to address their queries. This reduced the need for human intervention for easy queries and provided them with immediate round the clock assistance, enhancing the user experience. The findings from this study are supported by Gupta et al. (2023), who highlight the importance of embedding technology interface drivers such as Chatbots to enhance the user experience thereby, driving further usage.

Efficiencies: Mobile applications create efficiencies and enhances the user experience, as this generation does not use the platform just to transact; they also use it for purchasing airtime, data and electricity. This supports Kaabachi et al. (2022), who opine that to maintain or obtain a competitive edge, traditional banks need to create value for this demographic. Mobile payments enable Generation Z to perform multiple types of transactions on a single platform at the touch of a button. This is aligned with Kurniawan and Jesica (2024), who state that mobile payments improve Generation Z's daily life as the technology provides them with the capability to perform their daily transactional activities and investment strategies.

Speed: due to busy schedules, speed is an important factor for Generation Z when transacting. They want the response time to navigate between the screens to be fast, to enable them to quickly complete a payment. Generation Z will

choose to use an app which they perceive is faster when time is of the essence and they need to make an urgent payment. This is in line with Purohit et al. (2022), as well as Martinez and McAndrews (2023), who indicate that the younger demographic prefers to use mobile payments which are fast and easy to navigate, as they are conscious of time.

Performance expectancy is the strongest driver towards behavioral intention; the findings from the research indicate that for Generation Z, the mobile payments application is the preferred method for performing their banking activities.

Effort Expectancy

For Generation Z, the ease of learning and making use of mobile payment applications is important. They have a preference for user-friendly and intuitive interfaces which will simplify their banking. The intention of this construct was to understand if behavioural intention is driven by intuitive, easy-to-learn and easy to use mobile applications.

Generation Z have a preference for simple yet intuitive mobile payment applications, as this improves the user journey when navigating through the applications screens. This research findings supports Lisana (2024), that an intuitive user interface and, as Slazus and Bick (2022), suggests, a good user experience will have a positive impact on Generation Z's choice of mobile application.

Generation Z is a demographic, who are constantly on their mobile devices, have had access to and have been using mobile applications from a young age. Due to this, it is not difficult for Generation Z to search for, download and learn how to use a mobile payment application. The findings from the research strongly support Silanoi et al. (2023), and Agardi and Alt's (2022), findings that, due to constant exposure to technology and mobile devices from an early age, Generation Z requires little effort to acquire and learn how to use mobile payments. Therefore, effort expectancy does not have an influence on behavioural intention.

Generation Z believe that all mobile apps are similar; therefore, they are easy for them to learn how to use. The findings from the research, counter the argument by Alfa'izy et al. (2023), that ease of use will boost Generation Z's confidence to conclude the payment journey faster. However, the findings support Penney et al. (2021), and Wei et al. (2021), that effort expectancy could have a positive effect on performance expectancy If the mobile payments application is intuitive and easy to navigate, there will be a positive influence towards behavioural intention to use.

5.4 Discussions pertaining to Proposition 2

Perceived Trust

Trust in the security of a mobile payment application is important for Generation Z. They need the assurance that their finances and personal data are safe and secure. The purpose of Proposition 3 was to determine if trust is a barrier to behavioural intention.

Generation Z favours using the bank which takes into consideration how to protect their data and funds. They demonstrate a strong work ethic, so they need to ensure that the bank has the right controls to keep their finances and data safe from cybercriminals. Generation Z prefer strong security measures to access the banking application, such as two-factor authentication with complex passwords requirements. This aligns with Penney et al. (2021), and Kaabachi et al. (2022), who found that for mobile applications, Generation Z want robust security measures to secure their finances and data.

The research findings indicate that Generation Z will trust a bank that provides insights into its cybersecurity measures as research by Demir et al. (2024), indicates, that banks need to instill trust in the technology which will lead to the desired effect, where Generation Z will be motivated to adopt the digital banking

service. This is further evidenced by Al-Qudah, et al. (2024), who state that to enhance Generation Zs confidence and establish their trust, the bank must provide the assurance that their data and finances are secure. A study by Hwang et al. (2021), agrees that while a traditional bank must have security measures in place which satisfies the security related concerns of Generation Z, it should not be too cumbersome or too difficult to access the app, to the extent that it takes away the convenience of easy access transact.

The research findings are in line with the opinion of Nur et al. (2021), that a traditional bank can overcome barriers and drive behavioural intention towards usage if there is trust that the financial institution has the right security measures in place.

Perceived trust will have a positive impact on Generation Z's intention to use mobile payments if the traditional bank has the right security measures in place.

Price Value

Generation Z prefers mobile payment applications that are cost-effective, especially those that provide additional benefits in the form of cashback, rewards or vouchers. The objective of proposition 4 is to ascertain if the cost to transact via traditional bank's mobile application will be a barrier for Generation Z.

The findings reveal that this demographic is price sensitive and prefer mobile applications which offer value for money. They are inclined to choose an application which offers lower fees and which does not attract a download cost, provided that there is no compromise on security. The findings align with Axcell and Ellis (2023), that a barrier for Generation Z is if they have to pay for downloading a banking app.

The digital natives are of the opinion that all banks have similar features or offerings, and the one thing that can differentiate the banks and provide it with a

competitive edge is the associated costs of transacting on the banking application. This aligns with Ameen et al. (2023), who state that Generation Z want cost-effective, value-adding solutions, as this is a generation who are cautious about how they spend their money and are financially aware. These findings concur with Venkatesh et al. (2012), that Generation Z will pay for the technology if they can see that the benefit outweighs the cost. However, it has emerged from the research findings that Generation Z will pay a higher price for technology if they know that they will receive benefits such as rewards. The findings align with Windasari et al. (2022), who state that Generation Z enjoys earning rewards to the extent that if they feel a competing bank offers the customised rewards they value, it could entice them to switch banks.

Price value can positively influence the use of a traditional banks mobile application if the bank can provide a value adding solution at the right price.

5.5 Discussions pertaining to proposition 3

Social Influence

The opinions and recommendations of social networks, family and peers has a significant impact on which mobile payment application Generation Z will use. Generation Z are influenced by the endorsement of these technologies. The aim of proposition 3 was to establish how society influences Generation Z.

Family and friends have the biggest influence on Generation Z when choosing which mobile payment application to use. These findings are in line with Venkatesh et al. (2012), and Nur and Panggabean (2021), who concur that family and friends have the biggest influence over Generation Z and can be pivotal in steering them towards using a traditional banks app. Generation Z tend to veer towards making use of the same bank as their families due to social norms; these are the people that they trust the most and have observed which banks their

families were using (Al-Qudah, et al., 2024). This contrasts with the research by Purohit et al. (2022), and Windasari et al. (2022), who indicated that Generation Z's peers would have the biggest influence on them due to the time amount of time they spend together.

Friends and family will provide their recommendations based on their trust in the bank's reputation (Lin et al., 2022). Generation Zs family's trust the bank they recommend, believing it will provide good service at the lowest fees with the best rewards (Windasari et al., 2022). With positive word of mouth referrals from friends and family additional Generation Z will adopt a traditional bank's digital payments applications (Slazus & Bick, 2022).

Social status is important to Gen Z; however, the research findings indicate that it is not improved with the type of banks technology that is adopted, which is at odds with Wei et al. (2021), who indicated that technology elevates their social standing. However, the findings indicate that Generation Z's social status is positively impacted by the type of bank and the type of card that is utilised. More expensive cards, such as a black card issued by a bank, can elevate Generation Z's social status. By using or seeking to attain a black card to improve one's social status could stem from low self-esteem or feelings of insecurity (Ameen et al., 2023).

Social Influence is a valuable factor to consider in attracting Generation Z to choose a traditional bank's mobile application.

5.6 Conclusion

A traditional bank can attract Generation Z to make use of their mobile payments application if it creates efficiencies for this demographic. Effort expectancy does not influence the behavioural intention, as mobile applications are easy to acquire and use for the digital natives. If the traditional banks mobile application is set at

the right price with the personalised rewards, it can drive their behaviour towards usage. Trust that the mobile application is a secure environment will promote positive behavioural intention. Family and friends are the network who can significantly influence Generation Z to decide which mobile payments to use.

CHAPTER 6. CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

In Chapter 6, the research objectives will be reviewed to determine if the study was able to reach its objectives. Each research objective is addressed, with findings and analysis, providing clear evidence that the research objectives were met. Thereafter, recommendations have been provided for each construct.

Digital transformation is reshaping the financial industry, placing traditional banks in a position where they must compete not only with other incumbents but also with new entrants such as digital only banks and Fintechs (Cele & Mlitwa, 2024). With this aggressive competition, traditional banks must consider how they will attract the younger, technologically inclined demographic. The study focuses on Generation Z, who has a preference for digital solutions provided by digital only banks and Fintechs as they believe that these organisations are able to provide innovative digital financial solutions with better security and more economical options (Mohta et al., 2024).

Generation Z is considered to be digital natives (Agardi & Alt, 2022), who grew up being exposed to the internet and technology from an early age, making them influential in how organisations approach their digital transformation or digital strategy (Al-Qudah, et al., 2024). This study used the constructs from the UTAUT2 framework by Venkatesh et al. (2012), to create the conceptual framework, to determine which factors a traditional bank should consider during its digital transformation to attract Generation Z to use its mobile payments application.

6.2 Research objective one

The first research objective was to determine if performance expectancy and effort expectancy have an influence on Generation Z to make use of mobile payments.

The findings from the research indicate that performance expectancy is the biggest driver towards behavioral intention and will positively influence Generation Z to use Bank X's mobile payments application if it creates a positive user experience. Generation Z prefers mobile payment applications that are convenient, fast, easy to navigate and which create efficiencies in their day-to-day banking. This is aligned to the research by (Lisana, 2024), Purohit et al. (2022), and Martinez and McAndrews (2023), confirming that Generation Z favour fast and efficient mobile payment apps. The most significant driver for Generation Z to use mobile payments is the convenience of being able to transact at any time and from any location. This is supported by studies by Purohit et al. (2022), Al-Qudah et al. (2024), and Martinez & McAndrews (2023), who state that Generation Z values technology that saves time and is convenient, enabling them to transact from anywhere in the world at any time.

An important factor that Bank X must consider during its digital transformation strategy is to provide digital natives with a complete digital experience to successfully compete with digital only banks. This includes the ability to download the app and the functionality to upload account opening documentation. This is supported by Windasari et al. (2022), who states that this initiative will enhance the customer experience and service.

Bank X must continue to provide value adding products on a single interface. Generation Z prefers apps that create efficiencies and add value, enabling them to perform all the banking actives as well as the ability to purchase products such as data and airtime on a single digital platform. This is supported by the findings

by Kaabachi et al. (2022), who state that banks must create value for Generation Z to create and maintain a competitive advantage.

The aim of the research was to determine if effort expectancy can positively influence behavioral intention. The findings reveal that Generation Z requires minimal effort to access and learn how to use mobile applications. While the findings from the research support Lisana (2024), and Slazus and Bick (2022), who state that Generation Z prefers user-friendly applications which have positive user experience, it does not drive behavioral intention. This is due to Generation Z's early exposure to technology, making learning how to use mobile applications second nature to them. This is supported by Silanoi et al. (2023), who state that Generation Z requires little effort to learn how to use mobile payment applications. The research also supports Sleiman et al. (2023), and Agardi and Alt (2022), who argue that Generation Z has had smartphones from an early age and banking apps are an established technology; therefore, ease of use is not a factor for them, and effort expectancy does not influence behavioral intentions.

The findings reveal that for Gen Z, mobile payment applications are easy to acquire, navigate and use, which supports the studies by Penney et al. (2021), and Wei et al. (2021), who argue that these factors will have a positive affect on performance expectancy to drive behavioural intention.

6.3 Research objective two

The second research objective was to ascertain if trust and price value are potential barriers for Generation Z when determining which banks mobile payments to make use of.

Perceived trust can be a barrier towards behavioral intention if Generation Z believes that there is insufficient cybersecurity in place to protect their data and funds. Studies by Penney et al. (2021,) affirm that trust is important to Gen Z.

This is further supported by Wei et al. (2021), Silanoi et al. (2023), and Kaabachi et al. (2022), who state that this demographic prefers secure digital platforms.

The research identified that Generation Z prefers mobile payment applications with robust cybersecurity measures. Access to the mobile app should entail entering a pin and password and using biometrics such as fingerprint or facial recognition. Al-Qudah et al. (2024), argue that trust can be instilled in Generation Z who need the assurance that the bank can secure their data and funds with cybersecurity measures such as two-factor authentication, secure payment gateways and tokenization. Bank X can instill trust in the digital natives by providing information about its security measures during the download process. The security measures need to be strong enough to deter cybercriminals but not so complex that it becomes cumbersome for the user to access the app (Hwang et al., 2021).

Price value can be a barrier if Generation Z feels that the cost to transact through a specific app is too high. This is supported by Ameen et al. (2023), who states that Generation Z is cost conscious. This demographic believes that a differentiator for traditional banks can be the price point and the type of rewards system that it has in place. It was identified in this study that they are willing to pay a higher fee if the benefits such as a compelling rewards program outweighs the cost to transact. This aligns with Venkatesh et al. (2012), who state that consumers such as Generation Z are willing to pay a higher fee for better rewards.

To overcome the price barrier, remain competitive and compete with the low fees offered by digital only banks, Bank X needs to reduce costs to provide competitive pricing and a strong rewards system. This is supported by Windasari et al. (2022), who affirms that a personalised rewards system can motivate Generation Z to bank with a traditional bank such as Bank X.

6.4 Research objective three

The third objective was to understand if society has an impact on Generation Z to make use of a specific bank's digital payment application.

It was identified that social influence does drive behavioral intention towards usage. Family and friends can have a noteworthy influence on Generation Z with regards to their financial wellbeing, as these are the people they trust the most. This supports the findings by Nur and Panggabean (2021), that family and friends have the biggest influence on this generation. This is in contrast to the findings by Windasari et al. (2022), who noted that Generation Z are more influenced by their peers and friends and by Kurniawan and Jesica (2024), who indicated that social influence was insignificant and does not have an influence on Generation Z's behavorial intention to use mobile payments.

Generation Z do not trust celebrities' opinions regarding financial matters. For important decisions such as keeping their data and funds secure, they trust the opinion of the people they know and have a personal relationship with. This is in direct contrast to Wei et al. (2021), who indicated that celebrities can influence Generation Z in their choice of mobile payment applications.

Bank X needs to appeal to both Generation Z and parents in their marketing approach, as family have the strongest influence. Along with the trust element, parents generally open their child's bank account, they need to see the value that Bank X can create for their children.

6.5 Conclusions

The purpose of this study was to understand the factors that contribute to Generation Z's behavioural intentions to use the mobile payments application of a traditional bank. Generation Z are digital natives who are instrumental in shaping the future of digital financial services. To create a sustainable competitive

advantage during its digital transformation journey, Bank X should enhance its mobile payments application to cater to the requirements of Generation Z. Bank X can utilise the constructs from the UTAUT2 framework to identify the factors that motivate Generation Z to make use of its mobile payments application.

The findings from this research indicate that the constructs performance expectancy, perceived trust, price value and social influence can have a positive effect on behavioural intention. While effort expectancy does not influence behavioural intention towards usage, it could influence performance expectancy.

If a traditional bank focuses on these factors during its digital transformation and provides innovative, value adding mobile payment applications, it can drive the adoption towards the behavioural intention of usage for the digital natives. Generation Z is an important demographic for a bank to consider as they grew up exposed to technology and know what they are looking for when choosing a banking partner. Their knowledge on digital finance allows them to influence their friends and family on their choice of mobile application. Positive word of mouth will enable the traditional bank to attract additional clients, resulting in an uplift in market share and ensuring economic sustainability.

6.6 Recommendations

The recommendations are based on the data which emerged from the study, focusing on each construct from the conceptual framework.

Performance Expectancy was the construct which was the biggest driver towards behavioural intention. To attract Generation Z, Bank X must develop intuitive digital banking applications. Bank X should create user-friendly applications that are easy to navigate and provide a seamless user experience. The traditional bank should ensure that the mobile application provides the user with easy access to the most popular screens, such as payments and account statements.

Bank X should implement a simplified, straight forward digital on-onboarding process. This should enable Generation Z to download the mobile application, open new bank accounts and upload the required documents without needing to visit a branch. This will enhance the service offering and improve the user experience. Digital onboarding will speed up the onboarding process, allowing users to start transacting more quickly, thereby increasing the bank's market share and generating revenue at a faster rate.

Digital onboarding will also improve the bank's operational process by eliminating the need for employees to handle documents in the branch. This will result in reduced operational expenses as fewer employees will be required to open bank accounts and handle supporting documentation. Further to this, provide an online tutorial with a step-by-step guide on how to upload the documents and real-time updates on the status of the account opening application will further enhance the user experience.

To expand the banks reach, Bank X should create a freemium app for situations where Generation Z is in areas with insufficient technological infrastructure to support wireless communications or when customers run out of data. Research from the study have revealed that when traveling, if this demographic lacks the right data connectivity, they will switch to the banking partner that has a freemium offering.

Effort Expectancy influences performance expectancy, therefore, Bank X should continue to create a user-friendly interface. Although Generation Z is familiar with using applications from a young age, they still prefer applications that are simple and easy to navigate. Bank X can achieve this by providing icons which are clear and easy to identify.

Generation Z is a price conscious demographic; therefore, Bank X must offer competitive transaction fees that are clear to understand and with no hidden costs. This will enable the demographic to easily compare the different banks' price structures to make an informed decision based on price. By offering multiple

tiered pricing models with the option to choose the structure that best suits their needs, Bank X will be able to motivate more Generation Z customers to adopt their mobile payments application.

Generation Z enjoys earning rewards and with the right rewards programme they can be persuaded to adopt Bank X's digital payments application. Bank X can achieve this by making use of data analytics to identify popular spending categories and offers personalised rewards in the form of vouchers, discounts or cashbacks for these categories.

Trust is a crucial construct for Generation Z. Without the right security measures in place, negative feedback loops could be created. This can be rectified by implementing robust security measures. Bank X must ensure that they have strong security protocols such as two-factor authentication, biometric verifications and end-to-end encryption to keep the Generation Z's data and funds secure. To gain users' trust while they are still in the investigating phase of which application to use, Bank X must share the cybersecurity measures it has in place during the onboarding process. In addition, Bank X can equip customers with information on how to be cyber safe and provide Generation Z with security features and tips on how to prevent fraud.

Social influence impacts behavioural intention, considering that family and friends have the most significant influence over this demographic, Bank X should encourage existing customers to refer the app to their family and friends and offer incentives such as rewards and vouchers for both the referral and for the new user to encourage digital adoption.

Furthermore, Banks X should create digital marketing initiatives to make Generation Z aware of its service offering. Considering Generation Z spend large amounts of time of social media; Bank X should create generational specific content that appeals to this demographic to attract them to adopt its mobile payments application. Marketing solutions on popular social media platforms for Generation Z, use tools such as reels, can effectively capture their attention.

By implementing these recommendations, traditional banks can enhance its digital transformation strategies and better compete with digital only banks.

6.7 Suggestions for future research

This study can be used in future research by traditional banks and financial institutions which have embarked or are embarking on its digital transformation journey.

The study involves employees from a traditional bank who understand banking; future research should explore factors that will attract Generation Z from different demographics, geographies and professions. By having a more diverse demographic, traditional banks will gain a comprehensive understanding of what Generation Z requires. This will enrich the future iterations of mobile payments applications.

Future research should explore the factors that different genders consider when adopting mobile payment applications. Different genders may adopt mobile payment applications for different reasons. For example, this research had 3 male participants, two of whom were not influenced by family or friends but rather due their own personal preference or marketing initiatives. Additional studies should be conducted to determine if this is the case for a larger number of the male population, which will aid the traditional bank in is digital marketing initiatives.

Generation Z have a tendency to avoid human interaction; therefore, digital service capabilities such as Chatbots are their preferred method of seeking assistance. Future research should focus on how to improve the service provided on digital platforms, such as Chatbots. This client-centric approach will enhance the service provided both to Generation Z as well as other demographics, forming better customer relationships. This will also create positive feedback loops leading to an increased market share.

To reach Generation Z in all parts of the country, including remote areas, research should be conducted to examine how the digital infrastructure influences the adoption of mobile payments and how insufficient internet connectivity affects digital banking in rural areas. This will help traditional banks to innovate to create solutions or form partnership with service providers to provide the necessary infrastructure to be more inclusive.

The Information, Communication and Telecommunications sector is transforming the way we live and bank. Telecommunication organisations in South Africa are creating mobile applications which offers banking services. Future research should be undertaken to understand if Generation Z will adopt the banking services offered by telecommunication organisations. This will assist traditional banks and other financial institutions understand the growing complexity of competition.

Thank you for your time.

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APPENDIX (A) Interview guide for qualitative studies

The interview guide below will be used during the interviews of the participants to try to understand what are the factors that they consider when making use of digital payment applications.

Performance Expectancy (PE) – is the performance benefits which a consumer will derive from making use of technology to perform their daily transactional activity (Venkatesh et al., 2012).

1. PE - Which is your preferred method of transacting?
2. PE - How does the mobile application improve the way that you perform your day-to-day banking?
3. PE - How does the speed of the mobile application influence the payment instrument?

Effort Expectancy (EE) – Is how easy the technology is for the consumer to use (Venkatesh et al., 2012).

4. EE - How easy was it for you to learn to make payments through a mobile application?
5. EE - How does ease of acquiring, navigation and use of an application affect your decision to choose a mobile payment application?

Perceived Trust (PT) - Is when consumers are confident that the technology that they are making use of, is safe, secure and reliable (Nur et al., 2021).

6. PT – To what extent does the security of an applicating feature in your decision making?
7. PT - How important is trust in a bank's mobile application?
8. PT -How does the lack of information on security affect your usage of an application?

Price Value (PV) - Is the cost that the consumer will pay for mobile payment applications in exchange for the benefits which they will receive from making use of it (Venkatesh et al., 2012).

9. PV - How does the cost of the service of mobile payments influence your decision making?
10. PV - How does cashback and rewards weigh up against the cost of transacting through mobile payments?

Social Influence (SI) – Is how important, is the opinion of family, friends and peers to consumers when deciding which technology to adopt (Venkatesh et al., 2012).

11. SI - In your social network who has the biggest impact on which banks application to make use of?
12. SI - How does the type of banks application that you make use of affect your social status?
13. SI – To what extent will you be more inclined to make use of a mobile application if it was endorsed by a celebrity as opposed to being suggested by your peers or your family?

APPENDIX (B) Participant information form

Dear XXX,

My name is Chantel Naicker. I am a student in the Faculty of Commerce, Law and Management at the University of Witwatersrand, Johannesburg. I am currently completing the Master of Management in the field of digital business under the supervision of Prof. Rene Pellissier. I am conducting a research study about understanding the factors that a traditional bank should consider during digital transformation to influence Generation Z to adopt their digital payment application. The study title is “Identifying factors towards digital transformation of traditional banks using Generation Z considerations.”

I am inviting you to take part in an interview where I will ask you a series of questions to determine what you look for when choosing which bank’s digital payments application to utilise. There may be a follow-up interview should additional data be required. If you decide to take part, your participation in this research study will last about 30 minutes. The interview activity will take place in person in a meeting room at 135 Rivonia Road.

With your permission, I would like to audio record the interview. This data will be stored in my personal one drive for five years, thereafter it will be deleted. Only my supervisor and examiner (on request, thereafter the examiner will have to delete all traces of the audio recording) will have access to the data.

The interview will be confidential, and you will remain anonymous. When I share the findings of the research study, I will not include your name or anything else that could identify you. If you decide to take part in the research study, it should be because you want to volunteer. You can stop being in the study at any time and you do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits or rights you would normally have if you decide not to join. Taking part in the research study will not cost you anything nor will you be paid

for being in this research study. The risks for this research study are no more than what happens in everyday life.

This research study will be written as a research report. The report will be available on the university library website. If you would like to receive a summary of this report, I will be happy to send it to you.

If you have any questions during or afterwards about this research study, feel free to contact me on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Yours sincerely,

Chantel Naicker

Researcher:

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Supervisor:

Prof. Rene Pellissier, Rene@pellissier.co.za

APPENDIX (C) Consent form

Title of project: Identifying factors towards digital transformation of traditional banks using Generation Z requirements

Name of researcher: Chantel Naicker

I, …….., agree to participate in this research project.

I agree to the following:

(Please circle the relevant options below)

The research study was explained to me. I understand what this study is about.	YES	NO
I understand that I can volunteer to take part in the study	YES	NO
I agree that the interview may be audio recorded	YES	NO
I agree that direct quotations from my interview may be used by the researcher in her research report	YES	NO
I agree that my participation will remain anonymous (my name or other identifying data will not be used by the researcher in her research report	YES	NO
I agree that other researchers may use the information I provide in my interview (depending on their own ethics clearance being obtained) but my name and any personal information will not be used or passed on	YES	NO

…… (signature)

…… (name of participant)

…… (date)

…… (signature)

…… (name of researcher/person seeking consent)

…… (date)