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Adoption of Cell-Phone Banking among Low-Income Communities in Rural Areas of South Africa

PDF (Size: 238KB) PP. 362-370 DOI : 10.4236/ib.2012.44045

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ABSTRACT

The maturity of interactive ICT solutions, with related convergence of various services on mobile platforms has revolutionised the way we communicate, and conclude business transactions in the informationage. The rise of e-Commerce, e-Business, e-Health, e-Learning or even internet and mobile phone banking, have simplified and improved access to these basic services for those who can exploit them. To enjoy these benefits however, one needs more than access, but also awareness and willingness to use these tools. The problem in most rural areas is that the majority still lacks awareness and literacy to make effective use of converged technologies in improving their lives. This study was set to explore the understanding of cell-phone banking by rural communities in South Africa. A qualitative approach was followed where individuals from informal settlements of Gugulethu and Nyanga were interviewed to determine whether they acknowledge the existence of cell-phone banking and to understand their reasons for non-usage. A vast majority of the low-income individuals according to the findings, do not use cell-phone banking. In fact, some do not even know what it is, and among the few that know about it most were not using. There are several issues that could possibly make rural individuals not to use or even trust cell-phone banking. Key among these was lack of insight into the facility, most probably, due to a lack of awareness. Issues of trust, where a mobile device is hardly construed as a viable alternative tool to handle one's finances, also emerged strongly in the findings. Therefore, maybe banking institutions need to initiate a marketing strategy that would best suit the rural individuals. Maybe South African government should intervene because they strongly emphasise on the need for rural development.

KEYWORDS

ICT; Cell-Phone Banking; Internet Banking; Network Connectivity; Mobile Solutions; Remote & Rural Areas

Cite this paper

 N. Mlitwa and N. Tshetsha, "Adoption of Cell-Phone Banking among Low-Income Communities in Rural Areas of South Africa," *iBusiness*, Vol. 4 No. 4, 2012, pp. 362-370. doi: 10.4236/ib.2012.44045.

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