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Consumer Acceptance of Online Banking in Zimbabwe: An Extension of the Technology Acceptance Model

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Abstract: An explosion of electronic banking systems over the years, particularly in developed countries has been powering economies closer to a cashless society as it removes the need for physical currency (cash) and physical payment systems and substituting them with cards (plastic money) and Internet (digital money). The study explores the extent of acceptance and usage of online banking by the general public as individuals, micro small and medium enterprises (MSMEs) and Corporates in transacting with commercial banks and building societies in Zimbabwe as well as investigates the challenges they face in the adoption of this technology. The study focused on how the technology acceptance model can be used to rate the acceptance and usage of online banking. The researchers used face to face interviews, focus group discussions and a questionnaire for primary data collection purposes. The model was tested with a survey sample (n= 100). The findings of the study indicate that perceived usefulness and information on online banking on the Web site were the main factors influencing online-banking acceptance. Some of the key findings were the low uptake of online banking payment system as shown by the long winding queues that are still seen in all financial institutions. The research concluded that the lack of adequate money to justify having a formal account ranks high, followed by administration charges of maintaining an account as well as stringent requirements for customers to open accounts especially in the informal sector were burdensome. Therefore, there was need to relax the minimum requirements. Statements given to traders by the city councils could be used as proof of residence. Therefore, the researchers recommend that government departments like the courts, ZIMRA, VID, ZINARA and NSSA should lead by example in the usage of plastic money by making their operations Internet ready.

Keywords: Electronic Banking; Online Banking; Internet Banking; Traditional Business Models; Cashless Society; Technology Acceptance Model; Consumer Acceptance.

INTRODUCTION

The introduction of the United States dollar in Zimbabwe brought with it steadiness and development and people felt assured to re-finance their businesses. Since the inception of the United States dollar in 2009, Zimbabweans already in businesses brought in funds from abroad in order to re-finance their businesses. Hyperinflation had destroyed the balance sheets of most companies in the previous years, forcing corporates to put in fresh capital into their businesses. Between 2009 and 2012, Zimbabwe's economy grew by an annual average of 7% percent (IMF, 2013). Since 2013 however, growth has reduced significantly following the collapse in commodity prices, failing global growth, a strong United States (US) dollar and increasing political and policy uncertainty in Zimbabwe - all these factors have led to a depression in economic activity in the country (Anand, 2016). These conditions and poor inflows of foreign direct investment and the fact that the country has not received any balance of payments support from the Bretton Woods institutions since 2000 has created a liquidity crisis in the country which has led to an overwhelming cash crisis that has crippled the little industrial and economic activity that was still happening in a country that is inundated with a high rate of unemployment.

The Internet is changing the banking and financial industry of the nature of its main products /services and the way these are designed, delivered and consumed (Sathye, 1999). It is a priceless and powerful tool steering development, supporting growth, promoting modernisation and enhancing competitiveness (Kamel, 2005; & Nath *et al.*, 2001). Banks and other trades are turning to Information Technology (IT) to improve business efficiency, service excellence and entice new customers (Nath *et al.*, 2001; & Kannabiran & Narayan, 2005). Technological inventions have been recognised to play a part to the distribution channels of banks. These automated delivery systems are jointly termed as electronic banking (Goi, 2005). The development of banking technology has been influenced by changes in distribution channels as seen by automated teller

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machine (ATM), Phone- banking, Tele-banking, PC-banking and most recently Internet banking (Chang, 2003; & Gallup Consulting, 2008).

In Zimbabwe, the pioneers of electronic innovation in the early 1990s were Standard Chartered Bank and Central Africa Building Society (CABS) when they installed automated teller machines (ATMs). Other forms of electronic innovations that have found their way are Electronic Funds Transfer Systems (EFT), Telephone banking, Personal Computer (PC) banking and recently Internet banking. These have freed banks from the constraints of time and geographical location (Kass, 1994; cited by Goi, 2005) and have made banks to reduce costs on transactions, improve their service excellence, and respond better to the wants of the market (Chang, 2003; & Sullivan & Wang, 2005).

The current cash shortages have crippled the little industrial and economic activity still existent. Hence, it has negatively affected the banks as long winding queues are common features of the day, where customers want to withdraw their hard earn cash. The purpose of this study was to explore the extent of acceptance and usage of online banking by the general public as individuals, micro small medium enterprises (MSMEs) and Corporates in transacting with commercial banks and building societies in Zimbabwe as well as investigate the challenges they face in the adoption of this technology. It was also to understand the reasons for the low level usage of online banking platforms in Zimbabwe. From a policy standpoint, in addition to understanding the impact of financial inclusion, a critical question is how to achieve it. This is an area that has seen a lot of innovation in the last five years. These recent innovations ultimately amount to either reducing barriers to access to existing financial institutions (e.g. reducing fees) or bringing banking options geographically closer to the people. For example, a number of countries have accepted "correspondent" or "agent" banking in which people can do banking transactions like withdraw money from their bank account using a non-bank agent. The use of the cell-phone to send and receive cash is the ideal type of non-bank agents such platforms like Textacash, One Wallet, Ecocash and Telecash offered by CABS, Netone, Econet and Telecel respectively. Thus, online banking if fully utilised where customers can use different banking platforms to perform banking services extending from bill payment to making investments can go a long way of alleviating the current cash shortages crippling the economy. Therefore, banks' websites that offer possibilities to do any transactions qualify as online banking as well.

Theoretical Framework: Diffusion of Innovation

It is important to for managers and service providers and customers to understand why usage of online banking is relatively low (Al-Sukkar & Hasan, 2005). Rogers (1983) provides a typical curve for the adoption of any innovation by businesses and individuals whether it is a new processor, DVD or a new business concept such as e-business. On one end of the continuum are early adopters and on the other extreme end are laggards. In the technologically developed world, information technology is faced by barriers such as the lack of top management support, poor quality design and inadequately motivated and capable users and in contrast most of the five hundred million citizens of the Sub-Saharan Africa have no access to telephone service or computers (Kwan & Zmud, 1987; & Odedra *et al.*, 1993 both cited by AL-Sukkar & Hasan, 2005) that are fundamental in understanding technological change.

Several studies have been done enabling the acceptance of modernisation with various businesses, however very few studies have so far been published on the diffusion of internet-based platforms for the banking, most of them deal with the diffusion of ATMs in the financial sector (Corrocher, 2002). These studies have identified the main factors that impact on the rate of diffusion of an innovation and these include achievement of competitive advantage, reducing costs and protecting a strategic position (Bradley & Stewart, 2003). Jayawadhera & Foley (2000) revealed that Internet banking is diffusing at a slow pace. It is difficult to establish up to what point innovation has been a management's objective and how far it has been influenced by factors beyond management control (Chorafas, 1987; cited by Bradley & Stewart, 2003). Karem (2003) notes that with Internet banking there should be a management aspect to adopt Internet banking with a long – term perspective that is looked upon as an investment not an expense. Bradley & Stewart (2003); Maholtra & Singh (2007); Corrocher (2002); Sullivan & Wang (2005); & Hannan & McDowell (1984) concur that factors such as organizational structure, size of business, number of previous adopters and entry of new competition to the industry may also affect the uptake of a particular innovation.

More so, both supply and demand factors impact on the decision to accept a new innovation. From the demand perspective there is some consumer demand for this facility while on the supply side protection of reputation, competition, cost saving, mass customisation, retention and attraction of customers have been cited as influential factors on the diffusion of Internet banking (Bradley & Stewart, 2003). On the other hand, lack of user-friendly technology, customer demand, high initial set-up costs, redundancy of existing high-cost legacy systems and lack of suitable skills have been highlighted as some of the most important issues delaying the adoption or diffusion of Internet banking (Daniel & Storey, 1997; Moles *et al.*, 1999; Esser, 1999; Daniel, 1999 cited by Bradley & Stewart, 2003; Karem, 2003; & Chang, 2003).

***Corresponding Author:** Pious Ntini

The Technology Acceptance Model

Organisations invest in information systems for cutting costs, enjoying economies of scale and improving service excellence (Lederer *et al*., 1998). It has been noted that users' attitudes towards and acceptance of a new information system have a critical impact on successful information system adoption (Davis, 1989; Venkatesh & Davis, 1996; & Succi & Walter, 1999). If users are unwilling to accept the information system, it will not bring full benefits to the organisation (Davis, 1993; & Davis & Venkatesh, 1996). The more accepting of a new information system the users are, the more willing they are to make changes in their practices and use their time and effort to actually start using the new information system (Succi & Walter, 1999). A system that satisfies user's needs reinforces satisfaction with the system and is a perceptual or subjective measure of system success. Similarly, usage of a system can be an indicator of information system success and computer acceptance in some cases. Whether the system is regarded as good or bad depends on how the user feels about the system. Especially if the users do not rely on the system and its information their behaviour towards the system could be negative.

Success is not necessarily dependent of the technical quality of the system (Ives *et al*., 1983). Using the system is connected with the effectiveness of the system – systems that users regard as useless cannot be effective. Therefore, it is important to find out the reasons why people decide to use or not to use information system (IS). This knowledge will help both systems designers and developers in their work (Mathieson, 1991). One of the most utilised model in studying information system acceptance is the technology acceptance model (TAM) (Davis *et al*., 1989; Mathieson, 1991; Davis & Venkatesh, 1996; Gefen & Straub, 2000; & Al-Gahtani, 2001) in which system use (actual behaviour) is determined by perceived usefulness (PU) and perceived ease of use (PEOU) relating to the attitude towards use that relates to intention and finally to behaviour. According to the TAM these two beliefs are of primary significance for computer acceptance. PU refers to the prospective user's subjective likelihood that the use of a certain application will increase his or her performance. PEOU is defined as the degree to which the prospective user expects the potential system to be free of effort (Davis *et al*., 1989). According to DeLone & McLean (1992) system use as the dependent variable is acceptable, if system usage is not compulsory. Although the TAM has been tested widely with different samples in different situations and proved to be a valid and reliable model explaining information system acceptance and use (Mathieson, 1991; & Davis & Venkatesh, 1996,), many extensions to the original TAM have been proposed (e.g. Venkatesh & Speier, 1999; Venkatesh & Davis, 2000; Venkatesh *et al.,* 2002; Henderson & Divett, 2003; & Lu *et al*., 2003).

The Model

Based on a previous researcher by Pikkarainen *et al.* (2004), a model indicating the acceptance was adopted. The model consisted of five factors that the researchers posit to have an effect on acceptance of online banking in Zimbabwe.

Perceived usefulness (PU) and perceived ease of use (PEOU)

TAM posits that PU is an important factor to consider when choosing an information system (Davis *et al.*, 1989). Davis (1989) defined PU as "the degree to which a person believes that using a particular system would enhance his or her job performance". According to TAM PEOU is a major factor that affects acceptance of information system (Davis *et al.,* 1989). PEOU is defined as "the degree to which a person believes that using a particular system would be free of effort" (Davis, 1989). Hence an application perceived to be easier to use than another is more likely to be accepted by users.

Amount of Information on Online Banking

The amount of information consumers has about online banking has been identified as a major factor impacting the adoption. According to Sathye (1999) while the use of online banking services is a fairly new experience to many people, low awareness of online banking is a major factor in causing people not to adopt online banking. In an empirical study of Australian consumers Sathye (1999) found that consumers were unaware about the possibilities, advantages/disadvantages involved with online banking. Hence, we posit that:

H3. The amount of information a consumer has about online banking has a positive effect on consumer acceptance of online banking.

Security and Privacy

The importance of security and privacy to the acceptance of online banking has been noted in many banking studies (Roboff & Charles, 1998; Sathye, 1999; Hamlet & Strube, 2000; Tan & Teo, 2000; Polatoglu & Ekin, 2001; Black *et al.,* 2002; Giglio, 2002; & Howcroft *et al.,* 2002). To be more precise, privacy and security were found to be significant obstacles to the adoption of online banking in Australia (Sathye, 1999). Roboff & Charles (1998) found that people have a weak understanding of online banking security risks although they are aware of the risks. Furthermore, they found that consumers often rely that their bank is more concerned about privacy issues and protect them. Finally, they argue that although consumers' confidence in their bank was strong, their confidence in technology was weak (see also Howcroft *et al.,* 2002). As the amount of products and services offered via the Internet grows rapidly, consumers are more and more concerned about security and privacy issues. Generally speaking, many consumers are unwilling to give private information

***Corresponding Author:** Pious Ntini

over the telephone or the Internet, for example credit card information (Hoffman & Novak, 1998). According to many studies (e.g. Westin & Maurici, 1998; & Cranor *et al.*, 1999) privacy issues have proven important barriers to the use of online services. Basically, consumers are not willing to accept that they do not have full control over their own behaviours. They want to master their own acts and to know the causes and consequences of their own and others' acts (Baronas & Louis, 1988). Users want to control what kind of data is collected, for what purposes, how long data is recorded for, and how and for what purposes their data is processed (Kobsa, 2001; & Kobsa, 2002). Gathering and recording user data without consumers' awareness concerns them (DePallo, 2000). As trust, security, and privacy are multidimensional constructs and need further explanation, in this article we concentrate only on the aspects consumers are most concerned about. We are interested in the level of confidence in the technology and online banking service provider.

Quality of Internet Connection

The importance of a decent Internet connection and its quality was raised in our focus group interview. Also Sathye (1999) used Internet access as one of the factors affecting the adoption of online banking in her research. Without a proper Internet connection, the use of online banking is not possible. Hence the study will explore this influence.

Global view of Internet Banking – Developed countries

Since December 2005 according to Internet World Stats (2006), Global Internet access has exceeded 1018 million people. Since year 2000, growth of Internet in many countries has been remarkable, thus transforming the traditional banking practices. Thus, contemporary banks now regard the Internet channel as equally important to traditional channels of branches, automated teller machines (ATM), telephone banking and call centres (Gartner, 2003a).

Despite the substantial diffusion of consumer Internet banking in many countries to date, banks seek further market growth. Currently, market growth trends are uncertain. For instance, consumer appetite for Internet banking services in North America stalled in 2005, possibly due to increased security concerns linked to rising identity fraud, phishing and online scams (ZDNet, 2005). By contrast, in Australia, Internet banking growth continued apace despite similar consumer security fears, with a 26 per cent increase in the Internet banking consumer population to 5.5 million users (approximately 34 per cent of the adult population) taking place over the twelve months to May 2005 (ACNielsen, 2005). In the US, Australia, and other countries, consumer markets of "prospective adopters" remain to be tapped (Lee *et al.*, 2005). As at 2004, 55 percent of the private banking customers in Finland had an online banking contract with their bank (The Finnish Banker's Association, 2003; & cf. Nordea Oyj, 2003). In general, Europe has been and still was the leader in online banking technology and usage (Schneider, 2001). In Estonia, contrary to established western bank markets, the history of electronic banking is but a few years younger than the history of banking in general. The first Internet bank in Estonia was introduced in 1996 (Estonian Banking Association, 2002). Estonia has had a relatively high penetration of personal computers and Internet access, where 45 per cent of the Estonian population (ages 15-74) are users of the Internet (Emor, 2003). In one of the most thorough comparisons of Internet penetration and Internet banking penetration that has been done, Estonia and Scandinavian countries show similar patterns: the acceptance (signing a contract to use the Internet bank) of electronic banking was nearly 50 per cent or more of the Internet penetration (OECD, 2002). However, Estonia clearly stood out as an extreme case among Central Eastern European (CEE) countries.

Regional View of Internet Banking – Developing Countries

The market for Internet banking in developing countries is forecast to increase significantly in the next few years. Many consumers across the globe have accepted Internet banking and a country like Pakistan, a developing economy, has shown a high acceptance ratio (Kazmi, 2011). However, in 2003, 3.28 million people, a mere one in every fifteen South Africans had access to the internet. The estimate was 8.5 million people in 2012, still a relatively low penetration rate at 17.4% compared to other countries in Africa such as Tunisia, with a penetration rate of 39.1% (Internet World Stats, 2012).

The cost of Internet usage in South Africa is over 475% more than in Egypt. One of the consequences is a significant slowdown in growth of Internet users (Internet Growth in South Africa, 2012). South Africa, though, still remains a market with great potential for internet usage and Internet banking with a per capita Gross National Income of US$ 6 100 (Internet World Stats, 2012).

The State of Financial Inclusion in Africa

Financial inclusion can be measured by, among other indicators, the number of bank branches or ATMs at the disposal of the community. In addition to branch intensity, access to financial services can also be measured by the number of bank accounts opened as a percentage of the population, particularly savings accounts, which are regarded as a better indicator of banking penetration than other deposit accounts (Mohan, 2006). The Global Findex (2012) database showed that 23 percent of adults in Africa had a formal account with variation within the continent that indicated 24 percent of adults in Sub-Saharan Africa (ranging from 51 percent of adults in Southern Africa to

***Corresponding Author:** Pious Ntini

11 percent in Central Africa). For instance, in the Democratic Republic of Congo and the Central African Republic less than 5 percent of adults had a formal account whereas in North Africa, which on average had 20 percent of adults having a formal account, the range was 39 percent in Morocco and 10 percent in Egypt (The Global Findex, 2012).

According to the Global Findex (2012) database the most frequently cited reason for not having a formal account in SSA is lack of money to use. This reason was cited by more than 80% of adults without a formal account. Cost (e.g. high minimum deposit and high administrative burdens and fees), distance and documentation were also cited by more than 30% of non-account holders in SSA. Younger adults cited insufficient documentation while distance from a bank is an important barrier for adults living in the rural areas. In Eastern and Southern Africa fixed fees and high costs of opening and maintaining accounts were cited as important barriers (The Global Findex, 2012).

The rapid growth of mobile phones has given rise to the growing use of new alternatives to traditional banking such as mobile money. Mobile money has enabled millions of financially excluded people to perform financial transactions relatively cheaply, securely and reliably. In SSA 16 percent of adults reported using the mobile phone to perform financial transactions (pay bill or receive money). Kenya reported 68 percent of adults using mobile money, courtesy to the commercial launch of M-PESA service in 2007, and 43 percent who reported using it do not have a formal account (The Global Findex, 2012).

POST-INDEPENDENCE BANKING SECTOR DEVELOPMENTS AND PERFORMANCE IN ZIMBABWE

The First Decade of Independence, 1980–1990

In the 1980s, the monetary sector remained strictly governed and oligopolistic. Market entry was constrained, while rivalry among companies within the sector was absent. The monetary system continued high-class to the majority of the country's population, as financial services were servicing only to the townies that constituted less than thirty per cent of the population. Small and medium-sized enterprises (SMEs) could not grab the opportunities that appeared through the rebuilding programme owing to their failure to access credit to fund their inputs and working-capital requirements (Kanyenze *et al.,* 2011).

Families, the majority of whom were native Zimbabweans who lived in the rural areas, did not have access to money because of their remoteness from the formal monetary system, their ignorance about the availability of monetary services, low level of literacy, and the indisposition of banking institutions to provide services to the low-income group of the population (Kanyenze *et al.,* 2011). Remoteness to markets, and the absence of roads, is a central concern for rural societies throughout the developing world. The number of financial organisations in the banking sector remained fairly small considering strict entry requirements. Both indigenous and far-off investments in the monetary sector were restricted, and the advertising of services was rare as banks sold look-alike products across the board (Kanyenze *et al.,* 2011).

The ESAP Period, 1991–1996

In January 1991, the government unveiled ESAP, whose primary goal was to improve the living conditions of the poorest groups in the nation by generating sustained higher economic growth as a result of increased competition and productivity (Zimbabwe, 1991). An integral part of these reforms was the putting up together of savings by relaxing the interest-rate regime and transforming it into a market-based framework. This followed government's recognition that excessive regulations and controls had interfered with competition and made banks less efficient, more fragile, and reduced industry's access to finance as postulated by McKinnon (1973); & Shaw (1973).

Regulations pertaining to the entry of new financial organisations were relaxed following the adoption of reforms. With this liberalisation, it was expected that the range and quality of financial products and services adaptable to changing consumer needs would improve (dynamic efficiency) as a direct result of competition (Chandavarkar, 1990). Financial relaxation not only deregulated interest rates but also facilitated the onset of the first stage of financial deepening – the emergence of new financial intermediaries and banks (Kanyenze *et al.,* 2011).

The Crisis Period, 1997–2008

The economic problems afflicting Zimbabwe arguably began in the last quarter of 1997 and reached a crescendo in 2008. New banking institutions continued to enter the market as the minimum capital requirement became more affordable, which ranged from Z$200 million for a discount house to Z$500 million for a commercial bank (Cho & Khatkhate, 1989).

The growth in the banking sector intensified competition, as the old guard fought to defend their market stronghold while the new entrants enticed clients with new products and efficient methods of service delivery. There was a proliferation of branches and ATMs, as banks stretched their outreach programmes to far-away Growth Points in the rural areas. The newly licensed banks, the majority of which were indigenous-owned, sought to meet niche markets that had endured long periods of poor banking services: these included the SMEs, the middle-income earners and communal farmers (Kanyenze *et al.,* 2011).

The banking crisis that was triggered by the closure of ENG Asset Management early in 2004

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resulted in a number of commercial banks being placed under curatorship or closing, quarantining all the accounts that were held with them. As a result, the number of people operating bank accounts decreased (Kanyenze *et al.*, 2011).

As the fast-track land reform programme continued to cause havoc in the farming community by displacing the commercial farmers, most banking institutions that had established strategic rural branches to serve them were affected. Land has been a source of political conflict in Zimbabwe since colonization, when the country was known as Rhodesia; both within indigenous black communities and especially between white settlers and the black rural communities (Work with us – IFAD. n.d). All of a sudden business at these branches dwindled, and their operations were rendered unviable, leaving the banks with no alternative but to close them. By end of 2006, over ten branches had been closed in the rural towns of Zvishavane, Mhangura, Mberengwa, Shamva, Maphisa Growth Point, Hwange and Shurugwi, to mention only a few, most of them belonging to commercial banks. A combination of branch closures and the persistent rigid monetary policy that set unrealistic maximum daily withdrawal limits encouraged people to transact outside the banking system, thereby furthering financial exclusion. As a result, by 2007, only 18.3 per cent of the population had access to a bank account.

In addition, the excessive money supply that emanated from the RBZ's unrestricted printing of money saw the country experiencing twenty-two months of continuous hyperinflation between March 2007 and December 2008, the longest episode of hyperinflation ever recorded in history. By July 2008, inflation had officially reached an overwhelming 231 million per cent, leading to high transaction demand for money (Kanyenze *et al.*, 2011).

During this period, the black-market premium widened, to the extent that it became almost impossible to conduct illegal foreign-currency dealings on the street, as large bags were required to carry local currency cash, which, of course, was a security risk. As a result, foreign-currency speculators perfected their art and introduced what came to be known as 'burning'. This unorthodox strategy forced many people to return to the banking system and open accounts to facilitate illegal foreign-currency trading, hence the growth in accounts in 2008. There was a marked increase in Internet banking and cell-phone banking. Banking institutions were overwhelmed to the extent that RTGS transfers which, under normal circumstances, would be processed within twenty-four hours needed at least two days, and internal transfers, which were normally effected the same day, needed at least twenty-four hours. The national payments system was choked and experienced frequent system gridlocks as a result of the volume of transactions that had to be processed. This exposed the banking system to high operational risk and also delayed the processing of genuine transactions, thereby adversely affecting trade. In order to normalise the situation, on 2 October 2008 the RBZ suspended the use of bank transfers. This accelerated the voluntary (but unlawful) rejection of the local currency as legal tender for the majority of transactions, as people generally preferred the other currencies, particularly the South African rand and the US dollar. The whole national payments system became confused. The majority of the population was pushed into financial exclusion, and the worst hit was the rural poor (Kanyenze *et al.*, 2011).

The Transitional Period, 2009–2010

A number of factors led to the voluntary substitution of foreign currency for local currency during this period. Although the RBZ introduced Foreign Exchange Licensed Warehouses and Shops (FOLIWARS) in late 2008, marking the beginning of official dollarization (Kanyenze *et al.*, 2011), it could no longer act as 'lender of last resort' owing to a tight liquidity constraint worsened by its inability to issue its own liabilities, banks lent out only a tiny fraction of their liabilities in order to reduce the risk of not being able to meet the demand for cash. As a result, most financial institutions rationalized their operations by closing branches in rural and peri-urban areas, which naturally worsened the dualistic nature of financial resource allocation as it left 65 per cent of the population unbanked (Zimbabwe, 2009b).

Post 2009 Banking and Economic Performance

The Zimbabwean economy has undergone significant structural transformation in the last decade that has inevitably propelled the growth of the informal sector. An increasing number of the active labour force is being absorbed in the informal sector. The in-formalisation of the economy has raised concerns and questions from several fronts. Policy makers are interested in formalizing the informal sector; the revenue authorities faced with a shrinking formal sector tax base are exploring ways of increasing the contribution of the informal sector to tax revenue and the development community in supporting players in the informal sector to improve and reduce poverty. The banking sector on the other hand is interested in promoting financial sector deepening: financial inclusion and how to nurture players in this sector to contribute towards savings mobilization. Harnessing resources from the informal sector is therefore a critical pillar in the inclusive financial sector development agenda. Deep financial markets play a critical role in supporting economic growth and development in the country (Kanyenze *et al.*, 2011).

The State of Financial Inclusion in Zimbabwe

The FinScope survey (2014) on financial inclusion in Zimbabwe conducted in 2011 found that 65 percent of the country's population live in rural areas while 35 percent live in urban areas, and that on average

***Corresponding Author:** Pious Ntini

80 percent of the adult population earn less than US$200 a month, while about 17 percent do not have an income. The gender distribution of the population was found to be 60 percent female and 40 percent male. Considering that 60 percent of the sampled population was women, poverty levels and financial exclusion should be greatest among women. Noteworthy is that only 24 percent of the total population is banked and of this only 12 percent of the rural population is banked. There is a large population not having access to financial services at all either through the formal or informal system, 40 percent in the case of the whole population and 51 percent in the case of the rural population.

The Fin Scope Consumer Survey (n.d) for Zimbabwe shows a strong rural/urban divide with regard to financial inclusion, which is more apparent in the usage of bank products whereby 47 percent of adults are banked in the urban areas as compared with only 12 percent banked in the rural areas. The rural population is mainly served by the informal sector. The urban/rural divide is put in the spotlight if financial access is analysed by province indicates that Harare and Bulawayo, the main urban centres show the highest levels of financial inclusion. Provinces such as Matabeleland South, Matabeleland North, Mashonaland Central and Mashonaland East have acute levels of financial exclusion whereby no less than 50 percent of the adult population are financially excluded from either formal financial services or informal financial services. It is noted that while Internet penetration in the country is still low, the usage of mobile phones is very high and hence there are opportunities of leveraging mobile banking for savings, payments and remittance transfers.

Influences on Consumer Acceptance of Internet Banking

Several converging reference domains and theories suggest numerous potential influences on consumer adoption of internet banking, including theories of consumer behaviour in mass media choice and use, gratification theories, innovation diffusion, technology acceptance, online consumer behaviour, online service adoption, service switching costs and the adoption of internet banking.

The technology acceptance model (TAM) developed by Davis (1989) which is the focus of the study was made relevant to consumer choices in Internet banking acceptance. In this model, 'perceived usefulness' and 'perceived ease of use' are the two main influences in user acceptance of technologies.

RESEARCH DESIGN AND METHODOLOGY

The study adopted both exploratory and descriptive research designs. The exploratory side of the study was discovery of ideas and insights. A descriptive design attempts to describe characteristics of a sample and relationships between phenomena, situations, and events observed by the researcher (Rubin & Babbie, 2008). Therefore, an integration of the two schools of thought was in the study. In addition, a survey was used as a data collection tool used to gather information from the participants. The participants were bank officials, individuals, and MSMEs bank customers and college students. The study sample consisted of 7 commercial banks and 3 building societies in Bulawayo.

The survey used a diductive paradigm. The ontological position of interpretivism is relativism. Relativism is the view that reality is subjective and differs from person to person (Guba & Lincoln, 1994). Crotty (1998) says reality is individually constructed; there are as many realities as individuals. Reality is constructed through the interaction between language and aspects of an independent world. Interpretive methods yield insight and understandings of behaviour, explain actions from the participant's perspective, and do not dominate the participants.

The study used both qualitative and quantitative research approaches. Babbie & Mouton (2009) assert that qualitative research methods attempt to discover what is assumed to be a dynamic reality while focusing primarily on understanding specifics as opposed to generalising universal laws of behaviour and in this research about people's acceptance and usage of online banking services offered by commercial banks and building societies in Zimbabwe as well as investigating challenges they face in the acceptance of this technology. The quantitative paradigm involves the use of numerical measurement and statistical analyses of measurements to examine social phenomena.

The researchers used face to face interviews, focus group discussions and a questionnaire for primary data collection purposes.

Sampling Techniques

The researchers distributed 120 questionnaires and 100 came back valid, hence a response rate of 81%. Also the researchers conducted 10 face to face interviews with a response rate of 100%. Furthermore, the researchers did 2 focus group discussions with Small and Medium Enterprises (MSMEs) resident in Bulawayo. Castelloe (2010) argues that a sample size of 30 for each group would be sufficient to achieve 85% power. A non-probability sampling technique was employed in the study. Convenience sampling was adopted for the study because it was cheaper and quicker method to obtain data. The research was carried out in Bulawayo Metropolitan Province of Zimbabwe which is the second largest city in the country. The target population was the customers of banks and building societies.

Data Presentation and Analysis

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Data analysis is a process used by researchers to reduce data to a story and the subsequent interpretation of the story (LeCompte & Schensul, 1999). Content analysis was carried out by the researchers to analyse face to face interviews and focus group discussions data that was collected. This involved organising the data and breaking it into manageable units in the process searching for common patterns according to the research questions. The process made it easy to easily discover important ideas and what to report. Microsoft Excel software package was used to analyse quantitative data into tables and figures. The data was coded first, entered into the system and analysed.

RESULTS OF THE STUDY

Why Most People in the Informal Sector of Bulawayo Are Not Banked

Banking Sector Vulnerability in Zimbabwe as Hindrance to Opening Bank Accounts

Respondents to a focus group discussion of Micro Small to Medium Enterprises (MSMEs) were of the opinion that the banking sector crisis that Zimbabwe went through in 2007/8 made them not to want to bank their monies or make dealings through the banking system,

Respondent 1

> *"My son we went through hard times during the tenure of Governor Gideon Gono at the Reserve Bank of Zimbabwe as we had to bank our cheques that we would have gotten after making cattle sales. We then had the painful reality of having to sleep in bank queues to withdraw our hard earned cash and in making withdrawals we had to write letters to explain again why we needed the money and its intended uses and therefore after that painful episode we have preferred to transact in cash and eliminate banking institutions from our cattle dealings".*

Respondent 2

> *"I would also want to add to what our father has just said. Well I didn't have cattle then, but as a student my parents had saved their hard earned cash for my college education. I am still struggling to make ends meet to pay my college fees as what was set aside for my education was eroded by the hyper inflationary environment of that period. Banks robbed us of our life long savings as a number of banks closed down without paying our funds. The little that I get from doing this and that to give myself a decent education I can't put in the banks because I don't want to suffer the same ordeal in the future."*

Kanyenze *et al.* (2011) concurs when he says, the placement of a number of banks – Trust Bank, Royal Bank, Barbican Bank, Time Bank and Century Bank – under curatorship or liquidation in 2004 signified a break from the previous practices of forbearance. In addition, financial deepening and financial inclusion suffered, as many more people shunned the banking system as they were unsure which banking institution might be next in the firing line. People started to keep cash outside the banking system, as reflected by the general fall in the proportion of deposits to Gross Domestic Product (GDP). This marked the beginning of the banking crisis that shook the country in the third decade of Zimbabwe's independence: deposit levels as a proportion of GDP plummeted to 25.8 per cent Kanyenze *et al.* (2011) as clients withdrew their funds from the banking system in response to the crisis, which had a contagion effect. From that time on, the financial sector was hit by severe systemic risk, which resulted in more banking institutions and asset-management companies being placed under curatorship and liquidation, respectively, and driving the majority of the country's already impoverished citizens further into financial exclusion.

Bureaucracy and Stringent Account Opening Procedures

It was observed by the respondents in this study that most banks require that anyone intending to open a bank account must provide proof of residence in the form of Council or electricity bills which are not more than 3 months old, proof of employment or a current pay slip or one that is not more than 3 months from the time of the account opening and a minimum deposit of at least US$30. Lack of enough money to justify having a formal account ranks high among the reasons why most interviewees (60%) noted as reasons why people do not have bank accounts, followed by administration charges of maintaining an account as most banks were said to be charging as much as US$10 per month in administrative charges or minimum bank balance and a further US$2 for every transaction that one embarks on in their respective bank.

The respondents in the face to face interviews of question 4 buttress the challenges faced when one requires opening an ordinary bank account.

Respondent 3

> *"I do cross border trading in South Africa and I am also a single mum of one. I don't own my own house but I would like to in the future. It is disheartening to be told by bank officials that I am not eligible to open an ordinary savings bank account just because I am not in a position to get one with my name on it since I am a lodger. It's a night mare to get such documents from our landlords you know. My desire is just to keep savings for my son's welfare in the future because times are hard..."*

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Question 5 of the interview guide and question 1 of the questionnaire required to establish whether the participants had a bank account or not and for how long they have been banking with their current bank. Four respondents said they don't have bank accounts and one respondent said he sees no reason of opening one as banks don't offer services that he wants. He further highlighted that the existence of banks in Zimbabwe had no interest of the customer but their own financial gain.

A Fin Scope Consumer Survey Zimbabwe (2011) corroborates this research's findings when it reports that while 49 percent of Zimbabweans in urban centres have a bank within 30 minutes of reach, only 5 percent of those living in the rural areas have access to a bank within 30 minutes of reach.

In an economy as in-formalised as the Zimbabwean one where as many as 85% of the people are not formally employed (Tambo, 2015) it becomes very difficult for banks to maintain their stringent requirements of demanding that people bring their pay slips for account opening and because of such requirements, a lot of Zimbabweans are financially excluded and this has led to a lot of money circulating in informal systems. For small business owners the situation is also dire as evidence gathered from key informant interviews showed that most MSMEs owners (65%) have resorted to using their personal bank accounts instead of trying to open business accounts with most banking institutions. The MSMEs owners cited such reasons as demand for tax clearance certificates, previous bank accounts statements showing transactions for a minimum of 3 months, board minutes showing a resolution to open a bank account with the respective bank, proof of residence of Board members of the company and as much as US$100 initial deposit as some of the stringent and deterring factors for them to open business accounts.

Just to highlight what the researchers brought from chapter two, in Zimbabwe, the financial inclusion situation of micro, small and medium enterprises (MSMEs) as documented by the FinScope MSME Survey Zimbabwe (2012). It states that there are 5.7 million people in the MSME sector comprising 2.8 million MSME owners and 2.9 million employees. The employees are mainly male but the unpaid workers are mainly female. However, the MSME owners are mainly female.

In addition, 65% of MSMEs owners were of the opinion that it was actually better to use their personal bank accounts for business purposes so that they can avoid paying tax.

> Respondent 4
> "*My brother, the problem in this country is that the moment you formalise your operations and use a business account the next thing is you get a bill for presumptive tax from the Zimbabwe Revenue Authority (ZIMRA) demanding amounts that you do not know about. They (ZIMRA) will just send you, for instance, I got a bill of US$5 000 and they claimed that I was not remitting any quarterly payments for 3 years and when I tried to go and explain to them that my company was dormant and not trading they started threatening to garnish my business account. From that time onwards I began to use my personal bank account to avoid losing my money for something I do not even know."*

Such stories as are told by small business owners in Zimbabwe are common place and have led not only to government losing revenue in the form of tax from the informal sector but they have led to financial exclusion of the vast majority of the in-formalised business person as reports from Finscope for various years have shown above.

The findings here concur with previous research findings regarding the financial exclusions of the majority since the first decade of independence, 1980-1990. Kanyenze *et al.* (2011) agree that the financial system remained exclusive of the majority of the country's population, as financial services were available only to the urbanites that constituted less than thirty per cent of the population.

Insider lending, mismanagement and sometimes outright fraud have led to the collapse of some banking institutions. Deposit insurance schemes (either implicit or explicit) which moved the cost of bank failure to the tax payer resulted in moral hazard problems where managers of banks risked depositors' money by taking on risky ventures. These factors threatened the viability of the financial system and in some cases led to bank failures as happened with the cases of United Merchant Bank, Barbican Bank, ENG Capital, Trust Bank. Royal Bank, Time Bank, Century Bank, Renaissance Bank, Genesis Bank and ZABG Bank which were all local banks. These failures led to the loss of people's savings and lifelong pensions and other investments that they had with these financial institutions.

Therefore, the research concluded that the lack of adequate money to justify having a formal account ranks high, followed by administration charges of maintaining an account are some of the reasons why most people are not banked in Bulawayo.

Factors to Explain the Relatively Low Demand for Online Banking Services in Bulawayo

A young entrepreneur who was part of a focus group discussion echoed his frustration at the usage of online banking services when he raised the high

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transactional costs especially when he had to make payments in a currency like the South African Rand (ZAR).

> Respondent 5
> *"I personally do not understand how these guys determine their charges surely, how can I be charged a minimum US$30 for making a payment of ZAR300 which was money for my college registration. I would have thought making me pay a particular percentage of the amount I sought to pay as transactional costs is better because you can't make me pay 150% more in bank charges than the amount I am paying for. Because of such expensive costs I have resorted to paying a malayitsha (a transporter of people and goods from Zimbabwe to South Africa and vice versa) ZAR30 which is 10% for him to pay my registration fees in South Africa or I simply use a close friend and ultimately I make a huge saving. So if I am complaining about the ridiculous costs of online banking surely which entrepreneur will use these banks?"*

> Respondents 6 and 7 had this to say:
> *"Logically speaking who is in his right mind would continue to transact on a one that 100 per cent charge from the ZAR 300 that has been raised in this forum…" "Also the cost of Internet in general is expensive in Zimbabwe. In comparison to other African countries such as Ghana, Kenya and Tanzania, South Africa has the cheapest 1GB contract mobile broadband basket at a price of US$9, 81. This is in striking contrast with Zimbabwe where one gigabyte cost an average of US$35".*
> *"In as much as we appreciate the online banking service here in Zimbabwe. Why is it that the settlement for our transactions is not real time or rather let me put it this way, instance for both local (RTGS) and foreign transaction like in South Africa and beyond. There are just too much restrictions and over monitoring in our banking sector. Now you don't even know who is causing all the hiccups, the commercial bank itself or the Reserve bank of Zimbabwe (RBZ). If 'real time' settlement is possible from other countries that are much better than us in their systems, why can't we that claim to be having all the right systems in place have it possible?"*

The results that were derived from the questionnaire and from face to face interviews show that ignorance, lack of knowledge and fear of the unknown are some of the causes to the low acceptance of the technology. More than 60% of the respondents shun online banking usage due to 'here say' cases of others on high fees levied on cross border transactions and RTGS' without trying doing those transfers. For instance, the minimum for a Telegraphic Transfer will have a minimum charge of $55 to countries overseas that accept the US dollar and $10 for corporates and $8 for individuals. These charges differ from one circumstance to another and to countries in the globe. Most of the respondents referred carrying cash around as it was cheaper to withdraw than to transfer. But of lately there is wide encouragement from the RBZ to promote the use of electronic transactions as it has put a ceiling on all RTGS transactions to $5 across the board. However, this new tariff requirement has not been effected by all banks.

In addition, in one interview a lodge owner raised the fact that before the cash problems that Zimbabwe is going through she used to be very happy to receive online payments from clients in the form of RTGS and internal transfers especially from Non-governmental Organisations (NGOs) and other corporates and she would not need to receive payments in cash. However, she has had to revise her policy of accepting RTGS payments because in the past payments made would reflect in her bank account within 24 hours but now she has to wait for up to a week for some transactions to go through her account and this has made her business operations very difficult to run. She now has to negotiate with some of her clients to pay 50% cash up front then accept the balance which has to be transferred to her by RTGS at least a week before she provides her services. This has made most clients to shy away from dealing with her and other indigenous owned lodges as the former would not have access to cash as well as they cite the low maximum withdrawal limits that have been imposed by all banks. On the question of transactional costs of doing online banking she was very impressed as she noted that the charges were very affordable and user friendly. Her only problem was the fact that the current cash constraints that Zimbabwe is going through has made online banking services unbearable as she would not be able to access her money on time.

Ndlovu & Sigola (2013) and other scholars concur with what the lodge owner had to say on lower transactional costs of online banking. Banks just like other businesses are turning to information technology to improve business efficiency, service quality and attract new customers (Nath *et al.*, 2001). Al-Sukkar & Hasan (2005) aver that the most important factors encouraging consumers to use online banking are lower fees followed by reducing paper work and human error. Subsequently electronic channels can lead to lower transaction costs which are very competitive (Claessens & Kliengbiel, 2000). Kanyenze *et al.* (2011) further concurs on the reasons for high financial exclusion in Zimbabwe, both supply-side and demand-side factors affect access to financial services in Zimbabwe. Supply-side factors are the challenges that prevent banks from

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making financial services available to the rural and marginalized communities, while demand-side factors are those that induce people to shun the banking system. Furthermore, during the period of hyperinflation, communities preferred to hold cash as they had lost confidence in the banking system owing to the inconsistent and unreliable monetary policy which introduced unrealistic cash-withdrawal limits and made it difficult for them to access their money.

The research concluded that the economy of most developing nations is cash driven; meaning that transactions are basically made through the exchange of bank notes and coins for goods and services (Chavan, 2013). However, this trend is now giving way to a modern and sophisticated payment system where the currency and bills are converted to data, which are in turn transmitted through the telephone lines and satellite routers. This is as a result of rapid technological progress and development in the financial market (Ozuru *et al.*, 2010; & Johnson, 2005). Also confidentiality, integrity and authentication are very important features of the banking sector and were managed successfully in Zimbabwe and world over in pre-internet times. Communication across the Internet is open and often times insecure and might not be the best base for bank-client relations as trust might partially be lost and with most people making their money outside formal channels of business in a country with high unemployment secrecy of funds transactions has become paramount and so most people avoid online banking platforms as they are not sure about the security of their information. This study showed that while online banking improved customer retention and reduced cost per transaction, it led to an increase in the total number of online and offline transactions that resulted in an increase in the total transaction cost.

The country has a number of mobile banking and money transfer platforms namely Texta Cash (CABS), ZB E-Wallet, Kingdom Bank Cell Card, Ecocash and One Wallet mobile money transfer platforms. Of the above Ecocash mobile money transfer platform is the most popular and most widely used money transfer service used in Zimbabwe. One of the major impediments to ownership of bank accounts and accessing online banking services is the universal application of rigid account-opening requirements which have rigid 'know your customer' evaluation whose conditions cannot be easily fulfilled by rural folk and the needy. Also, high bank charges that are not commensurate with service delivery, as well as low interest on deposits, have discouraged citizens and led them to shy away from banking institutions.

Clients' Perceptions and Satisfaction on the Use of Technology in Transacting With Their Banks

Question 7 from the interview guide and section C from the questionnaire bring the light to this research question. One respondent was excited to have been doing transactions via the bank's website to process his RTGS' on bill payments to the city council and Medical Aid premiums. Whilst on the questionnaires side, 5 respondents stated using the online banking platform more than 5 times in a month to meet their obligations.

Literature proves that with the advent of the Internet, banking in Zimbabwe has been made simpler and more convenient as Kiang *et al.* (2000; as cited in Ndlovu & Sigola, 2013) further elaborates, conducting business outside the normal branch working hours has also been a factor that has been considered convenient for bankers. Thus banks can provide customers convenient, inexpensive access to the bank 24 hours a day and seven days a week. The adoption of electronic banking in Zimbabwe has been underpinned by the growth of Internet connectivity in the country. Internet has changed the dimensions of competition in the retail banking sector. In Zimbabwe the adoption of electronic banking services was first visible in the early 1990s where Standard Chartered Bank and CABS set up the first ATMs. Over the past years, other electronic banking products have come into sight such as the Electronic Funds Payment systems, telephone-banking, PC banking and even Internet banking (Njanike, 2010). Ndlovu & Sigola (2013) concur that "…growth in Internet connectivity Zimbabwe has greatly improved financial inclusion of previously marginalised and excluded communities in the Zimbabwean economy. Technological innovations and competition in the banking sector have improved accessibility to a wide range of services to retail and wholesale customers". However, of the 100 people interviewed 70% disagreed with the notion that Internet penetration had aided online banking in Zimbabwe as they argued that, poor Internet access and the high cost of internet charges in Zimbabwe have made it difficult for many a consumer to utilise online banking services offered by their banks. Online banking is meant to provide ease of transactions and allow one to do their banking even beyond the brick and mortar banking hours as one can transact even after hours from the comfort of their homes but this service is hampered by the fact that most clients interviewed and those who filled in the questionnaire admitted that they do not have home Internet services and they relied on Internet from their work spaces that they only have access to till 5pm (knock off time) of any day. One young entrepreneur was of the opinion that,

> Respondent 8
> *'My brother, all my international transactions for cars and other goods that I buy from places as far afield as Dubai I use my online banking platform. Even though I do not have Internet connectivity at home but I use my Tablet which I would have juiced up with reasonably priced data bundles and I can transact at reasonable cost without any hassles'.*

***Corresponding Author:** Pious Ntini

From this assessment it can be seen that not having Internet access in people's homes is not a valid enough argument for the lack of use of online banking services by the people of Zimbabwe. This is seen when one considers the arguments raised by the young entrepreneur who transacts as far as Dubai that most people in Zimbabwe have cell phones and tablets that can access the Internet from anywhere and at any time of the day and all this can be done at reasonable transactional cost. The Reserve Bank of Zimbabwe (2016) Zimbabwe National Financial Inclusion Strategy (2016-2020) concurred with the researchers' analysis that mobile usage growth had facilitated online banking in Zimbabwe when it noted that, all banks in Zimbabwe have leveraged on the high mobile phone penetration rate of over 100% by partnering mobile network operators (MNOs) to offer a range of efficient and safe digital financial services to different market segments, thereby broadening the consumer choices. The combined mobile money subscriber base had reached 6 million as at 30 September 2015, and there were more than 30,000 mobile payment agents across the country, a huge growth from 6,000 in 2013. This has facilitated both local and regional remittance services through mobile payment, particularly in the rural areas.

One young professional raised the fact that she cannot trust using online banking for her transactions especially when it involves cross border payments. She talked of a harrowing story of how she had her bank account hacked into while she was on a foreign trip in a neighbouring country. In addition, she explained that she lost US$450 to fraudsters who had seen her make online payments of buying air tickets to move from one city to the next in the neighbouring country. In no time at all she began to receive messages on her phone that she had made a number of purchases that she knew nothing about amounting to US$457 and because of this experience she said she prefers to now carry cash on her or make all her payments while still in Zimbabwe to avoid using her bank account electronically in a foreign land. This is further concurred by Grethen (2001) who noted that, confidentiality, integrity and authentication are very important features of the banking sector and were very successfully managed the world over in pre-Internet times. Communication across an open and thus insecure channel such as the Internet might not be the best base for bank-client relations as trust might partially be lost.

The researchers came to the conclusion that loyalty constructs to measure the satisfactions of customers and to determine the extent to which customers were close and loyal to the technological facility. It is envisaged that satisfied customers are retained customers; accordingly, contentment is strongly correlated to long term relationships (Masocha *et al.,* 2011). Altogether 71% of the customers interviewed noted that their bank's technological facility on online banking was user-friendly 90% of the customers responded that they would encourage others to bank with Standard Bank and the remnants said they would not support friends or relatives. This reflects high customer loyalty. Secondly, nonusers often criticize that online banking has no social dimension, i.e. you are not served in the way you are in a face-to-face situation at branch (Mattila *et al*., 2003). Lastly, customers have been afraid of security issues and the safety of their funds during transactions.

The Extent to Which Customers Utilised the Various Modern Technologies of Transacting With Banks in Bulawayo

The research findings reflected on interviews showed that modern technologies that customers use are cell-phones, POS machines and ATMs to do bank transactions. More than 80% of the respondents reflected that they use cell-phones to check account balances via the bank's mobile application. This is in agreement with the statistics that were brought to the public's attention by the RBZ governor in his monetary policy statement in January 2016.

Table 1. Transaction Volume Proportions

Transaction Volume Proportions	**Internet**	**RTGS**	**Cheques**	**POS**	**ATM**	**Mobile**
Percentage	0.22 %	0.88 %	0.15 %	5.64 %	5.23 %	87.8 %

The table 1 was an extract from the RBZ monetary Policy statement of January 2016. In 2015, the activity distribution of payment methods was skewed towards the Mobile system, which accounted for 87.87% of total value. Internet payments on the other hand accounted for 0.22% in terms of volumes of transactions processed. Table 1 and Fig 1 show the proportional distribution of payment system methods in 2015.

***Corresponding Author:** Pious Ntini

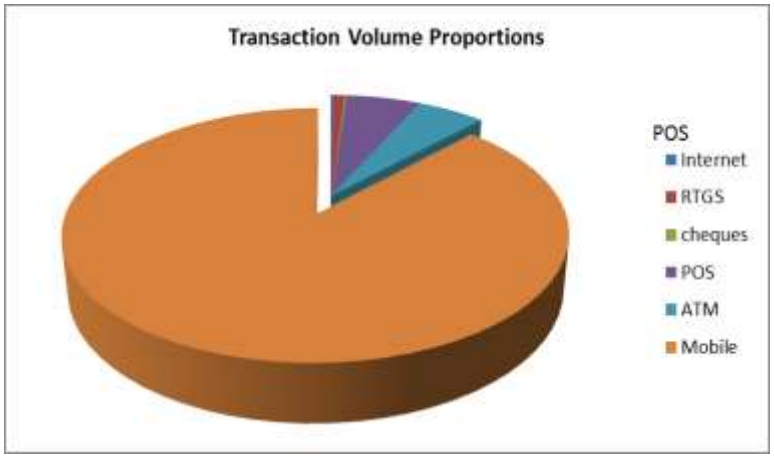

Figure 1: Transaction Volume Proportions
Source: RBZ

Table 2. Descriptive Data Analysis

	Mean	Standard Deviation	Skewness	Kurtosis
Demographic Factors				
What is your gender	1.4	0.5	0.3	-2.0
Age range	2.0	0.9	0.3	-1.1
Highest Educational qualification	3.5	0.9	-0.4	0.3
Occupation	2.0	0.2	0.0	27.0
Access To Banking Facilities				
Type of financial institution	1.8	0.9	1.4	1.3
Banking platform	1.0	0.3	7.4	55.0
Banking service from online- Inter account transfers	1.5	0.5	-0.1	-2.1
RTGS	1.6	0.5	-0.3	-2.0
International payments	1.9	0.4	-2.1	2.4
Bills	1.4	0.5	0.3	-2.0
Transfer to cell-phones	1.3	0.5	0.7	-1.6
Access to banking in area	1.2	0.4	1.4	0.0
Use of online Banking Services				
I do not use online banking	1.9	0.3	-2.6	4.8
At home	1.6	0.5	-0.4	-1.9
At work	1.7	0.5	-0.9	-1.1
At school	2.0	0.1	-7.4	55.0
In bank	1.7	0.5	-0.8	-1.3
Number of times use of online banking	2.0	1.4	1.4	4.6
number of transactions online	1.7	1.0	0.4	1.5
Amount of info on online banking	3.7	1.0	-1.1	1.2
Internet Connection				
Access to internet services	1.2	0.4	1.7	0.9
Connection speed	3.7	0.9	-1.3	1.6
Connection reliability	3.8	0.8	-1.3	2.5
Consumer Satisfaction With Bank's Technology And Security				
Online banking makes trans efficient	4.0	0.8	-1.3	3.2
Online banking cost efficient	4.0	0.8	-0.4	-0.5
Online banking is safe	4.0	0.7	-0.6	0.6
Online banking easy	4.1	0.8	-0.7	0.2

Skewness is aims at measuring the asymmetry of symmetry in a dataset. For perfect symmetry, the dataset should be the same to the left and to the right of the central point. **Kurtosis** on the other hand looks to the tails of the distribution, be they heavy or thin tailed. The further the value from 0, in a positive direction, it is

***Corresponding Author:** Pious Ntini

said to be positively skewness and negatively skewness for negative numbers if values reduce in a negative direction.

Summing up the findings to this research question, it is evident that online banking lags behind, as the clients still use the banking halls to RTGS and also withdraw cash from the ATMs as hard cash. Players in the financial sector established a non – profit organisation ZimSwitch that provides a switching platform which allows banks to share their financial services infrastructure such as Automated Teller Machines (ATMs), Point of Sale Machines (POS). Bank customers are able to transact anywhere where there is a ZimSwitch enabled device (ATM or POS). Thus ZimSwitch acts as a clearing house through which participant financial institutions settle their net exposure resulting from card based and Electronic Fund Transfer (EFT) on a daily basis. The establishment of ZimSwitch has allowed financial institutions to reduce capital costs for financial institutions on acquiring their own POS machines and ATM's. Currently 19 banks are connected to ZimSwitch for POS and ATM interbank transactions.

Despite its huge advantages online banking offers its clients in terms of transacting at any financial services provider infrastructure other than their bank. However, most banks have been reluctant to locate their infrastructure in remote areas due to a number of reasons; hence they have resorted to locate their infrastructure in areas in which other financial services providers are already located depriving the industry efficacy in advancing financial inclusion through the shared infrastructure facility. Also on the other hand some banks are reluctant to avail financial service infrastructure hoping their clients to free ride on the existing infrastructure putting the burden of maintenance on the host institution. Because of the competitive nature of the financial sector most banks are reluctant to make aware to their clients the presence of shared infrastructure in their vicinity hence bank clients will tend to disregard the shared infrastructure and travel long distances to transact at their home financial institutions infrastructure.

Also, in Zimbabwe, there are more people with cellphones than with bank accounts so that mo9bile phones provide a good avenue to push for financial inclusiveness in the country. With 97 percent mobile cell phone penetration (POTRAZ, 2012) it implies that most of the population have access to mobile phones, hence players in the financial sector and telecommunication industry are embracing technology as an avenue for financial service delivery through online banking and mobile money.

Recommendations

- The government should to restore investor confidence and create a favorable investment climate. Tinkering with monetary policy without dealing with fiscal policy inconsistencies will not solve the problem. In fact, it may even make things worse (Anand, 2016). It will also be necessary to review such legislation that hinders investment such as the Indigenisation law.
- There is need to rebuild the confidence of skeptical Zimbabweans towards banking institutions especially those who experienced the hyper inflationary period the country experienced prior to the use of multi currencies in 2009 and lost their whole life savings and pensions to hyperinflation and banking sector vulnerabilities.
- Banks should reduce or even scrap their bank account opening requirements like proof of residence, initial deposit fees, pay slips and other restrictive financial requirements like monthly bank charges, service charges and hefty withdrawal fees in order to encourage those in the informal sector to bank their daily takings.
- Government should lead by example in the usage of plastic money for example the courts, Zimbabwe Revenue Authority (ZIMRA), Vehicle Inspection Department (VID), the Registrar's department, Zimbabwe National Roads Authority (ZINARA), National Social Security Authority (NSSA) to mention a few. Parastatals are the real culprits in this problem of cash shortage as they are only accepting cash for their various fees, fines and other regulatory payments. If they can install Point of Sale machines at their various offices, then sanity might prevail in the country cash-wise as people will not need to carry large sums of money to pay these various entities. Once people see the government also leading by example and accepting the plastic money the generality of citizens can be motivated to follow suit as the old adage goes 'Charity begins at home'.

To The Banking Institutions

- Banks should implement awareness programmes to customers on how to use the modern advanced banking technologies.
- Banks should introduce 'agent banking' to rural areas like 'textacash agents' at CABS to capture potential customers that are established away from the proximity of branches and the majority of the traders that have time constraints to go to the banks by leveraging on the cellphone facility since most people in Zimbabwe possess a cell-phone.
- Banks should review their current know-your-customer (KYC) information and simplify the information that is required for opening accounts so that it can attract some of the informal sector players into the banking fold. The success of electronic and mobile banking platforms (Textacash, Ecocash, One wallet, Telecash etc.) in attracting the resources from the same customers that are considered risky by banks also point to the need by banks to

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review the KYC requirements so that they can access the resources that are in the informal sector.

- Banks should relax the minimum requirements for opening bank accounts for the informal sector and small to medium enterprises (SMEs). Statements given to traders by the city councils could be used as proof of residence. The traders operate at designated places with addresses yet these are not considered as good enough by banks.
- Banks should use advanced technology to enjoy on economies of scale to reduce service charges to their customers.
- Banks should focus at improving security of Internet banking by use of tokens and security pins to ease cases of cybercrimes whereby clients' users and passwords can be hacked and there is abuse of their funds.
- Banks should promote cellphone banking through communication mediums such as TVs, radios, and the Internet. This can be achieved through the use of WhatsApp and other social media platforms.
- The banks should attempt to use more simple and accessible banking methods while also reducing functionality problems of electronic banking.

Recommendations for Further Research

In future other researchers can do further research on making existing Businesses Internet-Ready. The research has established that business models are there and the general population is ready to take and use them to better their way of life. Welch (2003) notes that "E-business . . . is already so big and transformational that it has almost outgrown the bounds of the word 'initiative'."

CONCLUSION

A proliferation of electronic banking systems over the years, especially in developed countries has been driving economies closer to cashless society as it removes the need for tangible currency (cash) and physical payment systems and replacing them with cards (plastic money) and Internet (digital money). However, in the Zimbabwean banking sector the acceptance of this innovation has remained sluggish despite the convenience it brings to the customers and the banks. The researchers in the study of consumer acceptance of online banking in Zimbabwe – an extension of the technology acceptance model, used face to face interviews, focus group discussions and a questionnaire for primary data collection purposes. In terms of secondary data, the researchers did policy document analysis. Some of the key findings that the research noted were the low uptake of online banking payment system as compared to mobile payment system with ecocash being the most favoured application. The researchers arrived to this conclusion that the lack of adequate money to justify having a formal account ranks high, followed by administration charges of maintaining an account. Also the generally response from the findings pertaining to account opening was that there are stringent account opening requirements available for customers especially in the informal sector. Therefore, there was need to relax the minimum requirements. Statements given to traders by the city councils could be used as proof of residence.

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