Evaluating the Benefits Associated with Steering South Africa towards being a Cashless Society.

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Abstract

As the world continues to move towards digitalisation, conversations around the benefits of shifting towards more digitised means of conducting payments and financial transactions continue to make waves. This article seeks to contribute towards these conversations through the analysis of the benefits that will arise once this transition is embraced.This research report has reviewed current literatures and opinions on the successes yielded by cashless and digitised means of conducting transactions as well as factors that affect the use and adoption thereof. These factors include consumer demographic characteristics, consumer perceptions together with social influences.A qualitative research approach was utilised in an attempt to understand the habits and patterns displayed by the selected sample of the population around this subject matter and illicit a deeper understanding of these potential benefits. The results uncovered that cash remains an undeniable reality for many South Africans, with essential services and day to day necessities still requiring an extensive use of cash. However, the declining market share of physical cash as a payment medium is clearly evident. The findings of this study support the notion that a shift towards a cashless society will benefit South Africa and will have direct positive effect on the economy.

Keywords: cashless, cash, digitization, transactions, payments

Introduction

South Africa, like many other developing countries still believes in the use of cash transactions driven by the commonly used expression or culture of 'Cash is King'. Despite this inherent attitude towards physical cash, it was reported that45% of South Africans are ready to go cashless (Independent Online, 2019).A sharp rise has been witnessed in the past decade, in the adoption of cashless transactions. This has been highly aided by the rise in digitalisation and a general shift, by the market, towards instant gratification. This instant gratification in the financial industry is believed to provide security, convenience and affordability (Ajayi and Ojo, 2006). In South Africa, much of the population is largely unbanked and prefers cash as their main mode of payment which ultimately leads to a heavily cash based economy (Yaqub et al, 2013).

Munyiwa (2013:40) and others define a cashless society as not the absolute absence of cash transactions but rather where transactions are fully conducted without the need to always carry physical cash.

An initiative called #GoCashlessChallenge conducted by Capitec bank in 2019, to raise awareness on the true cost of cash found, through a twitter poll conducted by the bank, that 35% of South Africans were fully ready to transition towards digital modes of payment while a further 10% were tentative (Independent Online, 2019)**.**Rulof Burger, a Behavioural Economics Director at Predictive Insights confirmed that most South Africans currently use cash as their main payment method, especially in the lower income households, older individuals and people in the rural regions(Independent Online, 2019). He further stated that this is the case because people understand and trust cash (Independent Online, 2019).

MasterCard, a large player in the global payments industry, released a study called Cost of cash for consumers in South Africa carried out by Genesis Analytics (2016). This study found that the true cost of cash in 2015 was R23 billion which equates to 0.52 percent of the Gross Domestic Product (GDP) of the nation. This cost largely affects low-income earners, which then subsequently serves as a major barrier in financial inclusion. Despite an increase in the banked population in South African adults in 2015, consumer transactions still comprised of more than 50% cash.

This is a clear indication that increasing banking individuals does not guarantee an automatic change in behaviour and preferences (Genesis Analytics, 2016).

The MasterCard study (Genesis Analytics, 2016) also found that a general perception exists in the community that assumes that cash is cheaper, without taking into consideration other costs associated with cash withdrawals from the bank. These costs include, but are not limited to, cash withdrawal fees, travelling and time related costs to and from cash out points, foregone interest earnings from not keeping funds in a bank account and the risk of theft at any point along the process chain.

The technological shift and advancements in cash handling practices (Sukkar and Hasan, 2005), requires extensive innovative ways. The safety and health concerns around carrying large sums of money are constantly in question and under scrutiny, more so today than ever before, this raises the need to seek alternative ways of conducting business and financial transactions, making the option of electronic payment channels more attractive. In modern economy, the rise of the use of non-cash payment methods in the form of cards (debit and credit) seem to be dominating over the use of physical cash (Yaqub et al, 2013)

Bartiz-Lazo et al. (2014) was of the view that it is highly unlikely that we would see, in our lifetime, electronic transactions eliminating the need for physical cash. Even with the high risk of carrying large sums of cash which has become unsafe and may subject individuals to becoming victims of petty crimes and health vulnerabilities such as Covid19 due to the numerous times that money changes hands.Cobb (2015) further argues that there are significant economic benefits to this proposition over and above convenience and safety. "The impact of introducing electronic payments is akin to using the gears on a bicycle. Add an efficient electronic payments system to an economy, and you kick it into a higher gear. Add better-controlled consumer and business credit, and you notch up economic velocity even further." (Cobb, 2005)

Financial transactions are occurring less in branches or physical stores and more online. Institutions such as banks and retail, have significantly shifted towards the use of online platforms with banks making significant use of electronic and wireless channels to conduct business activities and provide their fundamental services (Suoranta and Mattila, 2004). This shift is a direct result of the trends in digitalisation witnessed today. Digitalisation will help with enabling or improvement of processes through leveraging of digital technologies and digital data (Gupta, 2020). A report published by the World Bank Group (2020), titled Digital Financial Services describes digital financial services as “financial services which rely on digital technologies for their delivery and use by consumer”. Some advantages of digitalisation can be listed as, ease of accessibility, ease of communication, immediate as well as an increased commercial competition which brings about more options. While some disadvantages noted were that it weakens the strength of community, with all transactions occurring online, there are less reasons for us to leave our homes. It must also be noted that the increased reliance and importance of data opens the possibility of data misuse and data security breaches.

Examples of digital financial transactions

- **Electronic Banking**
- Electronic banking, also referred to as cell phone banking or internet banking, is a term generally used to describe the provision of information or services by a bank to its consumers through computer, telephone or mobile phones (Daniel, 1999).
- **Mobile Money**
- Mobile money is the integration of mobile technology and high cell phone penetration. This is a term generally used to describe the process of storing, sending and receiving money cheaply through mobile phones. This allows for the money to be withdrawn or deposited back using agents such as Bank ATM’s, retail shops such as Shoprite, Checkers etc, all without the requirement of a registered bank account. Mobile money in South Africa is also popularly known as e-wallet (First National Bank) and cash send (Standard Bank), while in Kenya and other parts of Africa, M-Pesa is the most dominant provider (World Bank Group, 2020) of mobile money services.
- **Online shopping**
- According to Sunitha and Gnanadhas (2014), online shopping is the process of making purchases of goods or services on the internet, without the use of an intermediary service.

- **Platform eco-systems**
- Platforms that boast large user bases such as social media, ecommerce and ride hailing services have seen the rise of a new type of digital financial transaction which leverage cloud services and machine learning. Examples of these around the world can be China's ecommerce website called Alibaba which now has its own payment portal called Alipay used for payments on their website, while in Indonesia, ride-hailing service Gojek initiated its own payment system called GoPay used to pay its drivers (World Bank Group, 2020).

Positive attributes to digital financial transactions

Presented in table 1 are financial attributes and a description of the benefits of digital financial transactions.

Table 1 – Attributes and Description (Leij, 2002)

ATTRIBUTE	BENEFIT
Transaction Receipts	Ability to verify the transaction amount at the point of transaction.
Transaction Records	Most digital transactions offer a record of each transaction made through text or email message.
Transaction time	Digital transactions are concluded with relevant ease
Transaction cost	Minimal transaction costs incurred
Reversibility	Ability to reverse transactions made
Acceptability	Digital transaction payment methods are widely acceptable
Security	According to research, perceived risk ranked least with physical transactions relating to theft and loss of funds
Complexity	Assumed ease of use once understanding is established

Research knowledge gap

This research is justified because there have been limited studies done on the benefits associated with a move towards a cashless society, even less are found with a focus specifically on the context of South Africa. Literature suggests that on the African continent, none of the countries have fully gone cashless, with even fewer literature reviews providing context on how South Africa fairs. However, countries such as Nigeria and Kenya have established a larger footprint in cashless economy and are somewhat leaders in driving Africa towards this journey. This is assumed to be resultant of the fact that these countries were the founders of M-Pesa (Hughes and Lonie, 2007; Twomey, 2013). M-Pesa means "m-money" in Swahili and is the global brand for Vodafone's Mobile Money service. Vodafone defines mobile money as a digital representation of cash which is linked to a mobile phone account administered via a central platform which securely keeps tracks of the value in each account (Vodafone, Frequently Asked Questions, n.d.).

Cashless transactions allow for fulfilment of transactions without the use of physical cash (Adams, 2012). The transition to a cashless society, is not without its challenges, a lack of infrastructure in numerous African countries hinders the rate of progression towards a cashless economy (Mutheiwana, 2018). Cashless transactions could lead to shorter queues and faster means of transacting (Ejoh and Okpa, 2014) while also generating more revenue for the government through reduction of tax evasion and tax avoidance (Bindra, 2017).

In South Africa today, about 35% of transaction undertaken, are cashless (Matambo and Schaefer, 2013). This leaves room for numerous opportunities for expansion in this division. It is evident that the potential benefits of this shift far outweigh the possible setbacks that could hinder this growth such as unavailability of infrastructure.

The implementation of M-Pesa in Nigeria and Kenya, with a vast use of the service by lower income households in rural areas points to the fact that these challenges can be eliminated. This then further solidifies the extent to which research in this sphere is required with a specific focus on South Africa.

This paper seek to analyse the need for a move towards the use of these electronic payment methods to reduce the cost of cash, and to move away from a largely cash based economy and to identify ways to mobilise large number of South Africans who remain unbanked.

The study also aim to analyse the current cash treatment practices, what shortfalls these have and how they can be further improved. This is in an attempt to contribute to the discussions around the benefits associated with the use of cashless payment methods instead of physical cash as a means to address the numerous social ills that stem from extensive cash handling. Crimes, cash heists and the transfer of diseases through coins and notes changing hands frequently. Individuals interested in this subject matter will be able understand the preferences of persons who predominantly use cash, this understanding could allow for greater insights into what it takes to bank these individuals and how their behaviour or patterns can be influenced for the greater good that is assumed to be provided by more digitised approaches.

Methods

The study method aim was to weigh the current relationship South Africans have with cash with a view to evaluate the benefits associated with steering South Africa towards being a cashless society. To achieve this purpose, the study utilised qualitative research method to find out whether, the use of physical cash is still relevant in modern day society, while seeking to understand whether societal and cultural backgrounds have an influence on how individuals perceive cash. This evaluation is also done to understand the underlying safety concerns around carrying cash and whether they can be mitigated through the reduction of the use of physical cash. The research paper also seek to understand whether a shift towards a cashless society would have any negative impact towards the economic climate in South Africa.

The specific questions this research seeks to address are:

- What is the current state of cashless transaction practices?
- Whether the use of physical cash is still relevant in modern day society.
- Whether a shift towards cashless society will have any negative impact on the economic climate in South Africa.

Results

This section presents the research results and unpack the choices made by the respondents when answering the survey questions. The study received 126 responses, of which 116 were completed responses. The 116 completed responses were used in the analysis. The survey was distributed electronically mainly through social media platforms, from which all the respondents were consumers of one of the major South African Retail banks.

Analysis of the result shows the following:
Demographic profile of respondents
This section introduces the demographic profile of the sample and seeks to understand how great an impact these demographics have on the attitudes and behaviours.

Gender

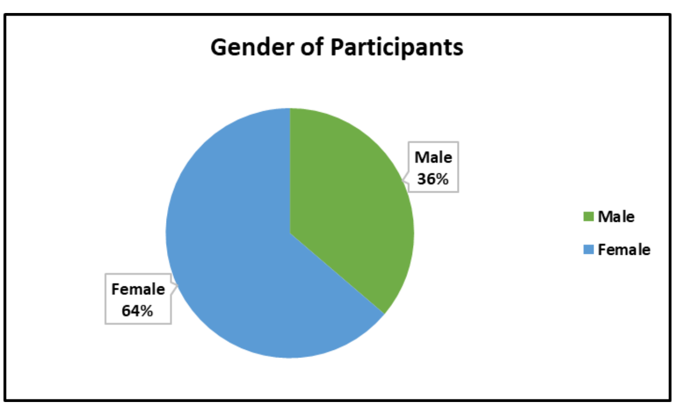

FIGURE 1 – Gender of Participants

Figure 1 above, depicts that 64% of the sampled population were female while 36% were male. This indicates that, within the sample selected, a higher representation of females existed as opposed to males. While gender could be a factor in the consumer adoption of new trends, for purposes of this survey, it should not appear as an indication that females have a higher interest in the subject and use of cashless transactions but rather a mere representation of the parts of the population that the survey was able to reach.

Age

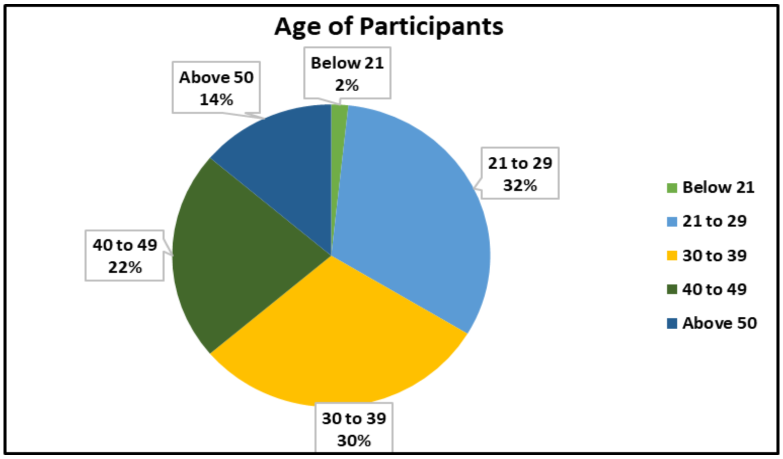

FIGURE 2 – Age Group of Participants

The participants were grouped into 5 age categories. These categories were Below 21, 21 to 29, 30 to 39. 40 to 49 as well as Above 50. The mode age category was 21 to 29, appearing the most at 32%. 30% of the respondents were between age 30 – 39, 22% aged between 40 – 49 while 14% were above 50 and only 2% aged below 21. While participants aged below 21 appeared the least in the results, the age group above 50 scored low, it could be assumed that as per literature suggests, this age group generally scores low in the adoption of trends or new ways of doing things.

Highest Educational Level

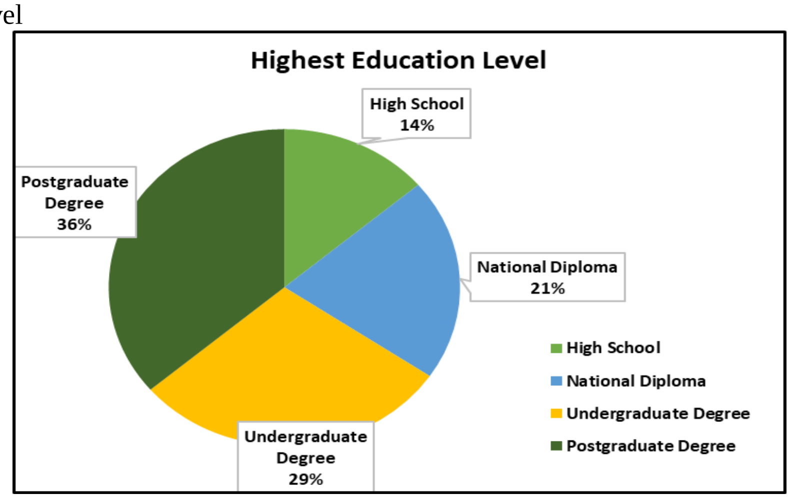

FIGURE 3 – Highest Educational Level

Majority of the participants possessed a higher education qualification, with 36% of the participants holding a Postgraduate degree, 29% held an Undergraduate degree while 21% had a National Diploma. A further 14% stated that they only had up to High School qualification.

Income

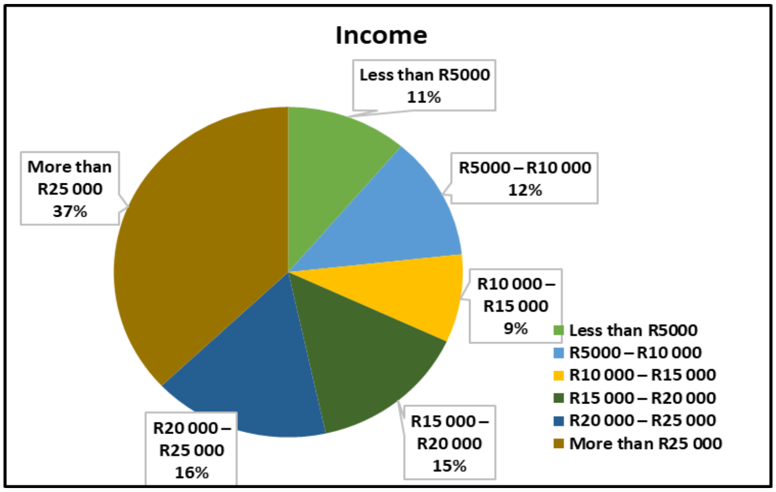

FIGURE 4 – Income per month

Figure 4 above details the income per month from each participant of the survey, while the higher income bracket of more than R25 000 per month after deductions got the highest responses at 37%, the rest of the brackets were similarly represented with percentages landing not too far from each other. Second highest income bracket of R20 000 – R25 000 represented 16% of the respondents while R15 000 – R20 000 represented 15%. 9% of the respondents earn between R10 000 – R15 000, 12% earn between R5 000 – R10 000, with the least income per month of less than R5000 being earned by 11% of the respondents.

Decisions and perspectives around financial transactions

This section seeks to understand the decisions and perspectives of the participants regarding financial transactions to understand how these affect their use of cashless transactions.

Primary Bank

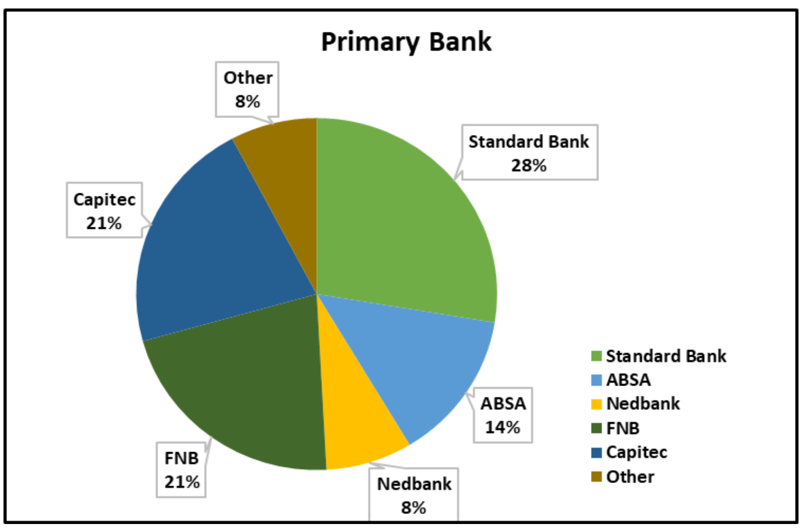

FIGURE 5 – Primary Bank

Participants were asked which bank they banked with, majority (28%) of the participants banked with Standard Bank followed by 21% of the participants banking with Capitec and FNB respectively, 14% banked with ABSA and a further 8% with Nedbank while 8% of the participants banked with institutions that were not listed.

Physical Cash Transacting

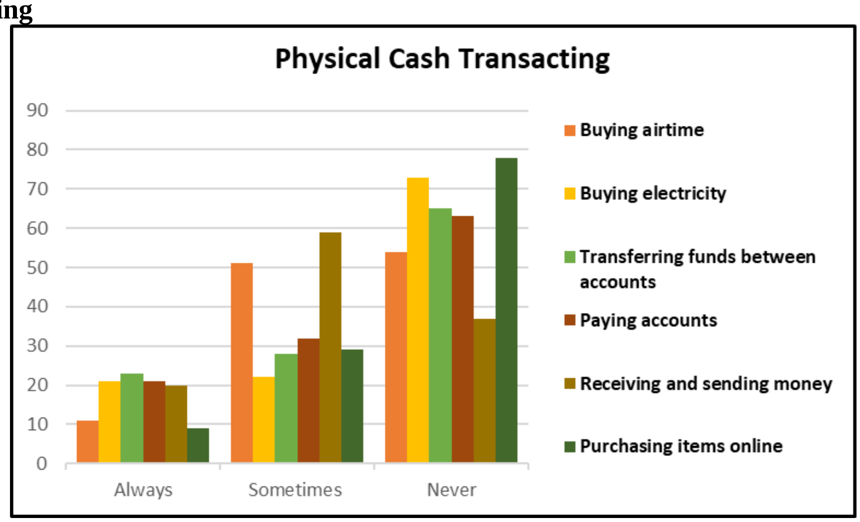

FIGURE 6 – Physical Cash Transacting

Figure 6 above gives insight into how participants carry out day-to-day transactions that involve money such as buying airtime & electricity, transferring funds between accounts, paying accounts, receiving and sending money online as well as purchasing items online. Most respondents, 53%, stated that they never use physical cash for day-to-day transacting, with online purchases seeing the highest spike. 32% of the respondents still use physical cash sometimes, this mostly being for airtime purchases and receiving and sending money, assumed to be at the branch or ATM machines. The minority of the respondents 15% still use physical cash for the daily transactions listed above with an almost even split between buying electricity, transferring funds between accounts, paying accounts as well as receiving and sending money.

Cashless Transacting

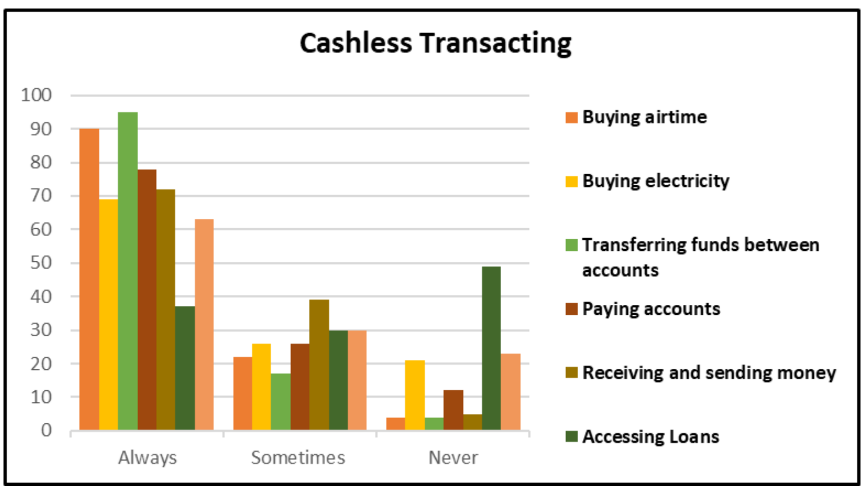

FIGURE 7 – Cashless Transacting

Figure 7 gives further insight into how participants carry out day-to-day transactions that involve money such as buying airtime & electricity, transferring funds between accounts, paying accounts, receiving and sending money online as well as purchasing items online, with this question, the emphasis was more on carrying out the above-mentioned transactions using cashless means as opposed to physical cash as profiled in the previous question. Most respondents 62% stated that they always use cashless method for day-to-day transacting, with transferring funds between accounts, buying airtime and paying accounts ranking the highest in their list of cashless transactions. 23% of the respondents use cashless payment methods sometimes, this mostly receiving and sending money. The minority of the respondents, 15%, never use cashless transactions, least of all for accessing loans which is a new variant that was added to this set of questions. This is consistent with the 15% in the previous question who said they always use physical cash to perform their financial transactions.

Causes of lack of Electronic use

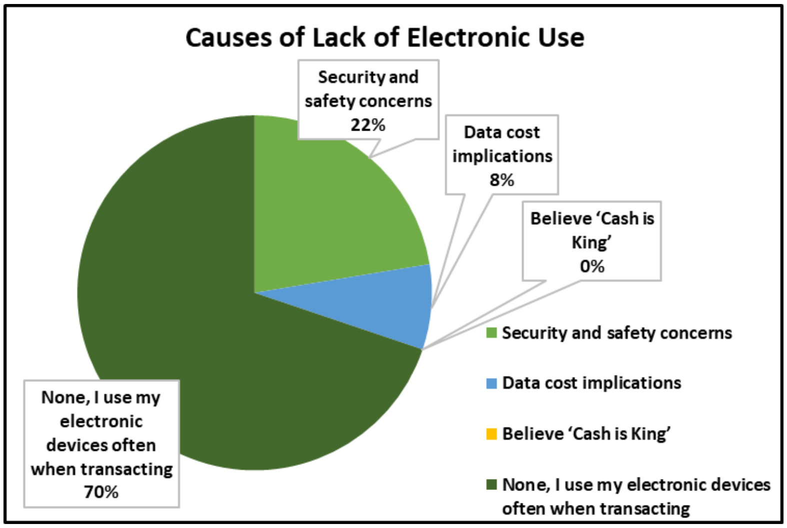

FIGURE 8 – Causes of Lack of Electronic Use

Having seen the responses provided by the respondents on what their perspective is on cashless transacting, it is critical that we understand what leads to these decisions. As indicated in the trend of responses, most users have migrated to full use of cashless transactions, which is true to the 70% result received of respondents who state that they use their electronic devices very often, for most transactions. However, 22% of the respondents did state that the reason they have not fully transitioned to cashless transacting is due to security and safety concerns while 8% advised that data costs are expensive as most applications need this to connect. Surprisingly, 0% of the respondents representedthe belief of 'Cash is King'.

Branch vs Cell phone

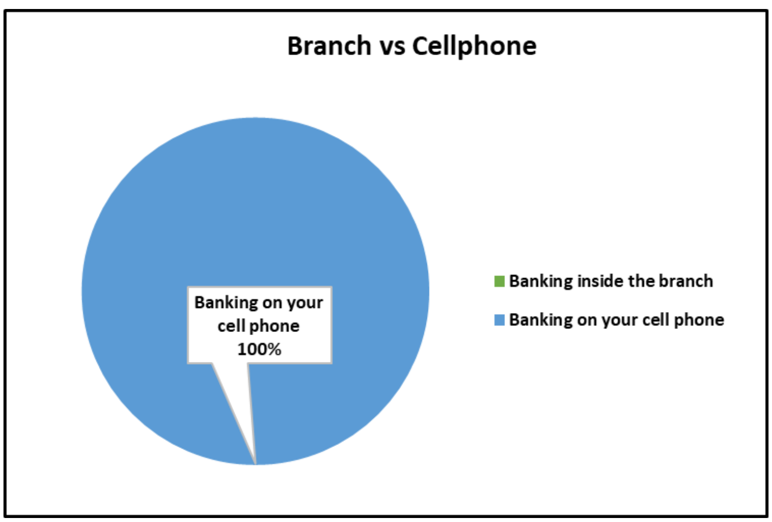

FIGURE 9 – Branch Banking vs cell phone Banking

Figure 9 looks to understand whether respondents prefer to do their banking through physical walk ins inside the branch or on their cell phone. 100% of the respondents prefer to bank on their cell phones.

Behaviours & Attitudes about cashless transacting

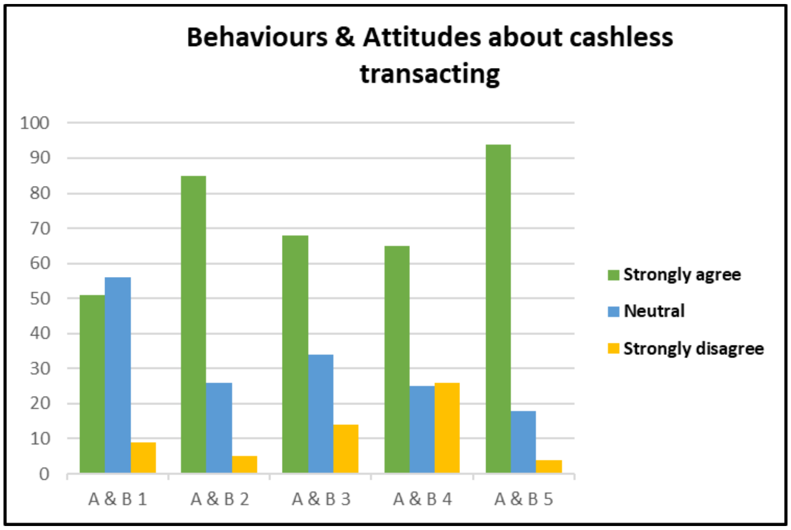

FIGURE 10 – Behaviours & Attitudes about cashless transacting

Table 2 – Attitudes and Behaviour

	ATTITUDE & BEHAVIOUR
A&T 1	My money and information are safe on cashless transaction platforms
A&T 2	Using cashless transaction platforms is cheaper than withdrawing cash
A&T 3	Covid19 has changed how I handle my money
A&T 4	I have used cashless transactions (online shopping, online payment of accounts or cell phone and internet banking) more because of Covid19
A&T 5	Even after Covid19 has settled, I will continue using cashless transactions (online shopping, online payment of accounts or cell phone and internet banking)

Questions from table 2 were asked the respondents. Figure 10 presents the responses in terms of attitudes and behaviours that shaped the stance of most respondents with regards to cashless transactions. 44% of the respondents strongly agreed that their money and information is safe on cashless transaction platforms with a further 73% stating that using these platforms worked out cheaper. 59% further stated that the Covid19 pandemic had changed how they handle their money and do their transacting, with a spike in cashless transactions such as online shopping, online payment of accounts or cell phone and internet banking, to name a few. Most of the respondents, 81%, stated that even after the Covid19 pandemic, their choices around cashless transacting will remain.

Statements about cashless transacting

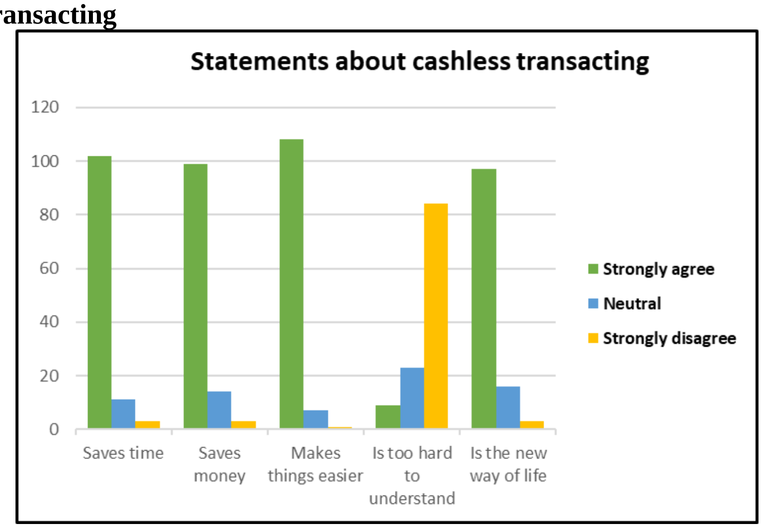

FIGURE 11 – Statements about cashless transacting

Having seen that most respondents prefer to do their banking on their cell phones. Figure 11 presents what the respondents felt strongly about with regards to certain statements about cashless transacting. Most respondents find that cashless transacting saves time and money. Respondents mostly agreed that it makes life easier and is certainly the new way of life. When asked if they felt that the technology behind cashless transacting was too hard to understand, a minority strongly agreed and/ or were neutral about the statement, however, majority strongly disagree with the statement.

Discussion of research findings

Analysis of the demographic information shows that majority of the respondents were females between the ages of 21 and 49 years who had at least a high school qualification with majority though holding a postgraduate qualification with about 37% earning more than R25 000 per month. The sample of respondents who responded to this survey are a fair representation of the profile of a typical South African internet user; typically between the ages of 25 and 45 years with a ratio of females to males being 60/40 having either a university degree or another form of postgraduate degree (New Media Review, 2006) due to the similarities observed. Detail response to the research questions are presented:

Research Question 1

Current state of cashless transactions within south africa

Parts of the survey, through various questions, seek to understand the decisions and perspectives around financial transactions of the respondents. In understanding this, the survey further laid the foundation on the state of cashless transactions within South Africa, in real time using the respondent’s responses.

The research uncovered that respondents to the survey primarily banked with at least one of the South African Banks, with a further 70% of those respondents indicating a complete shift towards cashless transacting, while the latter 30% remained true to the literature by Genesis Analytics (2016) which stated that merely banking individuals does not guarantee an automatic change in behaviour and preferences. The majority of 70% stated that they carry out transactions completely cashless for day-to-day transactions such as buying airtime & electricity, transferring funds between accounts, paying accounts, receiving and sending money online as well as purchasing items online mostly due to the ease of acquisition.

The reasons why respondents have adopted these cashless methods, ranges from saving time, saving money and convenience (easy of transacting). Respondents remained neutral when asked whether they believed their money and information were safe on these platforms.Majority strongly agreed that these platforms were certainly cheaper than the cost of withdrawing cash. These findings are in support of Ajayi and Ojo’s (2006), who stated that consumers are attracted to cashless means of transacting due to security, convenience and affordability.

It was suggested that in South Africa, much like Nigeria, much of the population is largely unbanked and prefers cash as their main mode of payment (Yaqub et al, 2013) and is of the opinion that ‘Cash is King’ however the result obtained from the survey did not agree with this opinion. An interesting contrast in the results details the causes of lack of electronic use.Survey results uncovered that of the 30% of the participants who still used cash as opposed to electronic methods, did so due to security and safety concerns as well data costs, data which is needed to transact, as opposed to the belief that ‘Cash is King’ as suggested by the literature. The security and safety concerns, however, are true to literature findings as indicated in an article on Independent Online (2019).

Contrary to Genesis Analytics (2016) findings that a general perception exists in the community that assumes that cash is cheaper, survey results uncovered, that 73% of the respondents agreed that cashless transacting is indeed cheaper meaning they are aware of the costs associated with cash namely, cash withdrawal fees, travelling and time related costs to and from cash out points, foregone interest earnings from not keeping funds in a bank account all coupled with the risk of theft at any point along that process chain to which they are spared.

Research Question 2

Whether the Use of Physical Cash is Still Relevant in Modern Day Society.

The relevance of physical cash in modern day society is an age old debate, with conflicting views from different economies of the world.However, this research has found that 47% of the respondents still largely use physical cash in their day to day transactions, with some stating the frequency of use as “sometimes” and “some always”. This finding is in line with literature by Genesis Unlocking Value (2016) stating that physical cash remains trusted, secure and private.

This research is conducted amidst the Covid19 pandemic and despite official guidance encouraging individuals to make use of touchless payment options amidst the fears of potentially handling notes contaminated with the Covid19 virus (Maykuth, 2020), cash remains the payment medium of choice for almost half of the respondents surveyed, which rings true to the literature reviewed.

Cash remains an undeniable reality for many South Africans, with essential services such as public transport, buying airtime & electricity and other day to day necessities still requiring an extensive use of cash. With the understanding highlighted by Independent Online (2019) that a rapid shift towards digital financial transactions cannot be expected today, it is critical that the education on how cashless options can benefit the consumer who is not ready to make the transition continue, this will foster a mindset shift.

Although 47% of the respondents stated a high use of cash in their day to day living, 32% of these respondents stated use of physical cash sometimes with only 15% stating they always use physical cash. This further demonstrated the declining market share of physical cash as a payment medium as observed by Maykuth (2020).

Research Question 3

Whether A Shift towards Cashless Society will Have any Negative Impact on the Economic Climate in South Africa.

Although conclusive evidence is yet to be established, Tee and Ong (2016) suggest that a transition towards a cashless society does have a significant impact on the economy. With online stores providing around the clock ability to shop.Shopping hours are no longer restricted to mall opening hours, this is one of the major enablers of economic expansion in a cashless economy as commercial activity can occur at any time which will have a resultant positive effect on the overall GDP of a country (Matambo and Schaefer, 2013).

While there have been limited studies done on the benefits associated with a move towards a cashless society, even less are found with a focus specifically on the context of South Africa. Literature suggests that none of the countries on the African continent, have fully gone cashless, however, countries such as Nigeria and Kenya have established a larger footprint in cashless economy. Research findings affirm the lack of full or total transition towards being a cashless society, with almost half of the respondents at 47% still largely making use of physical cash.

Ejoh and Okpa, (2014) suggested that cashless transactions could lead to shorter queues and faster means of transacting, this is supported by majority of the respondent’s sentiments about cashless transacting saving time, money and making things easier overall.

As of 2013, Matambo and Schaefer reported 35% of transactions undertaken being cashless, this number has certainly multiplied over the years, with this research signifying that the statistic is about 63%. This leaves room for numerous opportunities for expansion in this sector, proving that the benefits of this shift far outweigh the possible setbacks that could hinder this growth such as unavailability of infrastructure, slow mindset adjustments or a largely unbanked population.

The negative effects economies have felt due to the Covid19 pandemic is undeniable, however there has been some trade off on this, this research uncovers that the pandemic has been a catalyst in shifting the economies and consumers towards rapid adoption of digital financial transactions and overall shift towards being a cashless economy. Majority of the respondents when asked about their attitudes and behaviours around cashless transacting confirmed that Covid19 has certainly changed how they handle their money. Respondents cited an increased use of online shopping, online payment of accounts as well as an increased use of cell phone and internet banking during this time.

Although not entirely in response to the pandemic, one will notice that banks have been slowly closing branches to digitise their retail and business banking divisions, this to successfully adapt to the world of the fourth industrial revolution (Business Tech, 2020), 100% of the respondents further stated that as a matter of preference, banking on their cell phones was much better than banking in the branch. This question alone, signals the presence of an inherent mindset shift. A shift towards digital platforms also provides extensive cost saving on employment costs and real estate costs associated with renting or owning buildings where the branches are housed – ultimately leading to significant improvements to the bottom line (Maykuth, 2020) this said improvement has a direct positive effect on the economy of the nation.

Conclusion

Strong correlations and trends within the data was noted with a vast majority of respondents having a strong preference for cashless transacting over physical transacting. Stating reasons such as saving time, saving money and the convience. Research further revealed that the shift towards cashless transacting had progressed with the Covid19 pandemic acting as a catalyst in this regard. With the requirement to stay at home, consumers were left with minimal choice but to adapt to the digitised methods of transacting.

True to literature, the age range that is engaging in digital financial transactions is 25 – 45 year olds, who possess some form of educational qualification and mostly earn more than R25 000 which means they have money available for transacting.

The reasons stated by the respondents who have not fully transitioned, were more due to safety concerns as opposed to the belief that they trust cash more as previously suggested by literature.

Cash remains an undeniable reality for many South Africans, with essential services such as public transport, buying airtime & electricity and other day to day necessities still requiring the use of cash. However, the declining market share of physical cash as a payment medium is clearly evident.

In conlusion, the findings of this study support the notion that a shift towards a cashless society will benefit South Africa, due to the direct positive effect it has on the economy of the nation.

It was found that a shift towards digital transacting is definitly underway, this shift was further catalysed by the Covid19 pandemic which necessitated a speedy transition and adoption of more advanced digital methods.The benefits for the national economy is a positive effect on the overall GDP due to increased commercial activity as a result of increased ease of transacting which opens up opportunities for new entrants. The aforementioned reduction in cash related crimes will have a positive effect on the country's reputation which will positively affect investment opportunities. An increase in investment opportunities could lead to job creation and a resultant reduction in unemployment rates. By nature, cashless transactions leave an extensive paper trail which will lead to enhanced tax collection efforts, this will see a reduction in tax evasion and a resultant increase in revenue due to this increased efficiency.

Recommendations

The below recommendations are provided to the following stakeholders, banking institutions, business owners and national policy makers.

Research strongly points towards the rapid adoption of digital financial transactions, therefore it would highly benefit banking institutions to invest in the transition through enhanced partnerships with businesses, especially small, medium and micro enterprises located in rural or semi urban areas. Because these areas house the largely unbanked populations referred to, this is an opportunity for the institutions to gain new clientele. Banking institutions can also pursue educational marketing campaigns through mainstream media, highlighting the ease to cashless transacting as well as the benefits thereto such as minimised risk of theft or petty crimes. This should be done in languages and times conducive to the targeted population, such as airing the adverts during prime time news and on national radio stations.

A combination of customer education and awareness on the part of banking institutions and business owners is required in order to drive the transition to digital transacting. Practical user experience guides should be instituted to make customers aware of the convenience and ease of use of these platforms while highlighting its usefulness and cost saving benefits.

The lower income population is vulnerable and can be suceptible to exploitation and fraud, therefore policy makers and regulators need to have effective systems and policies in place that protect these users and their information.

To avoid overspend due to the new found convenience, policy makers can negotiate restrictions and limits with banks and business on the amounts than can be spent on those sites during a specified time period.

Countries such as Nigeria and Kenya have demonstrated how lack of resources does not have to equal a lack of progression. With adequate amounts of training and education, consumers are able to adapt.

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