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Factors influencing consumer decision-making in choosing a channel to remit in
South Africa

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Keywords

- Remittance,
- Theory of Reasoned Action,
- Theory of Planned Behaviour, and
- Innovation Diffusion.

Abstract

This research was conducted to provide insights into the factors that influence consumer's decision when choosing a channel to remit. The study looked at the following theories in determining the important factors that influence consumer intention or behavior, Theory of Reason Action, Theory of Planned Action, Remittance, Innovation Diffusion and Technology Acceptance Models. Hence, service providers should be aware of these factors so they can develop strategies and services to attract consumers to use their channels.

The aim of the study was to determine which factors influence consumer's decision in choosing a bank and non-bank channel to remit. The investigation of the key factors that influence the decision or intention, it was found that a single factor influenced the decision to remit in a bank and non-bank channel. It was also found in the study that consumers prefer physical channel of both bank and non-bank to remit. The finding has serious implications for service providers, in that consumer behavior show attachment to traditional distribution channels.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfillment of the requirement of the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorization and consent to carry out this research.

Irvin Moneši Phakane

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Chapter 1: Problem definition

1.1 Introduction

The vast amount of research papers and business reports on the topic of remittance indicate the level of interest remittance have gained (Cox, 1987; Chua, 2006; IHS, 2010; Hughes and Lonie, 2007). Remittance flows from developed to developing countries have been covered extensively as topic in research (Aycinena, Martinez & Yang, 2010 ; Catrinescu, Leon-Ledesma, Piracha, and Quillin, 2009; Chami, Fullenkamp, and Jahjah, 2005).

The amount of money migrant workers send through bank channels to their home countries is of particular interest to service providers. It has increased steadily to levels higher than that of development aid over a 13 year period (Chua, 2006). For many years remittance were thought to flow from developed to developing countries (Dilip, 2003). Hence, service providers have overlooked workers in developing countries as potential customers. The World Bank in 2006 estimated that 30-40 percent of remittance originates and flows between developing countries (Crush & Frayne, 2007). Therefore, same way migrants working in developed countries need formal channels to remit, migrant workers in developing countries also need services to remit between their countries and within (Kambuhunga, 2011). The remittance of money within a country is referred to as domestic remittance, this sometimes also referred to as money transfers.

However, consumers are increasingly becoming proactive in their purchasing decisions in terms of choosing which channels for remitting money (Hawley, Pookulangara & Xiao, 2011). A cause for concern for most consumers is the

cost of remittance through bank channels (Chua, 2006). A staff member at Standard Bank said in an interview it costs as much as R250 to send money across the border. While, in an interview with a colleague who has family in Zimbabwe, it was revealed that the key determinant for choosing a channel to remit is largely due to the urgency to remit. The interviewee mentioned that, in emergency situations he withdraws money from an ATM and gives to a taxi driver, to deliver to his family. Whereas, under normal circumstances he would send money through channels such as the internet.

In the effort to reduce the cost of remitting, banks and non-banks have introduced alternative channels (internet and mobile) as replacements of the traditional brick-and-mortar. This is trend across the globe (Akinci *et al* , 2004; Brown *et al*, 2003; Datamonitor Plc, 2005). For example, Safaricom in Kenya introduced m-pesa service to facilitate transfer money. Similarly, Vodacom and Nedbank recently introduced the m-pesa service. M-pesa is a mobile banking service that deals with the convenient transfer of money. The service has been well received in Kenya since its introduction in 2007 (Balwaba, 2011). Nonetheless, the take up of the service is not the same in South Africa. This may be attributed to the factors such as; culture, attitudes, normative believes, that drive adoption being different for each country, Hence, it is important to study of these factors to establish which of these influence consumer's decision in using a channel.

1.2. Purpose of the research

Remittance is the sending of money by migrant workers to their families for two reasons: altruistic or for payment of goods and services. Worker remittances

are the second largest source of capital flow to developing countries (Aycinena, Martinez & Yang, 2010). The remittance flow to developing countries from migrant workers reached a record \$336 billion in 2008 (Mohapatra, Ratha, & Silwal, 2010). While in the period between 1990 and 2010, remittance inflow to Africa countries reached \$40 billion (Zacks Equity Research, 2011). Just recently, academics and development banks have shown interest to understand why worker remittance were larger than official development aid yet development is not evident in developing countries.

On the other hand, motives of sending money have been subject of debates and in research for many years. For example, Cox (1987) concluded that the motive for remitting money between family members is for exchange of services rather for altruistic. This means that an immigrant in a foreign country would pay relatives money for looking after their house, children or aged parents. While Schiopu and Siegfried (2006), found that the gap in Gross Domestic Product (GNP) between the host and home country increased remittance flow to the home country, which they claim supports altruistic motives as the reason for remitting. Altruistic means that the immigrant sends money for keeping children in school or poor family members well fed without expecting any direct benefit. Hence, supporters of remittance suggest that remittance provide a significant way out of poverty. While opponents of remittance say that remittance hampers development as developing countries lose skilled workers via “brain drain” to developed countries (Todaro & Smith, 2011).

The improvement in quality of data for international remittance and workers migration flows captured the interest of money transfer institutions and development banks. The sprawl of money transfer agents developing countries,

particularly Africa, Eastern Europe, Asia and South America is evidence that they are taking interest.

In 2011, Western Union in collaboration with Magnet Bureau de Change opened an office in Namibia (Zacks Equity Research, 2011). So far, Western Union has more than 23,000 agent locations in over 50 countries in Africa (Zacks Equity Research, 2011). The number of agent is expected to grow as the company strategy is to grow the network. While MoneyGram™ expanded its footprint and presence in South Africa (Kambuhunga, 2011).

The on going dialogue between money transfer institutions, supported by the World Bank, and governments in developing countries to put in place regulations that support the activities of these organisation. They are argue that good governance facilitates efficient flow of remittance which is good for the economy (Catrinescu, Leon-Ledesma, Piracha, & Quillin, 2009). For instance, the Ethiopian government had discussions with the World Bank to formalise the relationship between money transfer institutions and the financial institution. This comes as the bank recognises remittance flow as the factor that underpinned the rapid expansion of the economy for past two years (IHS Global Insights, 2010). The flows of cross-border remittance to Ethiopia were to 8% of Gross Domestic Product (GDP) in fiscal year 2009/10 (IHS Global Insight, 2010). The developments in Ethiopia indicate that the bank believes remittance are vital more so for economic development, which leads to poverty eradication. There interesting debate that is continuing on whether remittance effective for economic development.

The review of remittance inflows, official development assistance (ODA) and foreign direct investment (FDI) to developing countries between 1990 and 2004 revealed that remittance grew more than, which makes them the second largest source of capital flow (Crush & Frayne, 2007). The values quoted are estimates of the size of remittance inflows based on documented money transfers through formal channels or service providers. There is anecdotal evidence to suggest that most migrants however still send money through informal channels (Chua, 2006). Remittance flows through informal channels are estimated to be double if not more than those sent through formal channels. A challenge for service providers is that these flows through informal sector to some extent are due to the lack of access to formal channels or financial services.

To illustrate the point, the 2009 FinScope Survey on banking in Africa estimated that 40% of the South African adult population have no access to formal banking systems (FinScope, 2010). This is a huge concern especially when considering that South Africa is the most advanced economy in Africa. This statistic is a yardstick of level of access in other African countries.

As mentioned, the extent of the remittance flow through informal channels (non-banks) is not well-documented, but there is acknowledgement that it exists (Chua, 2006). Service providers will benefit from a study of this nature as it can provide insights on some of the factors that influence consumers to send money through bank or non-bank. In addition, understanding the factors will also help companies to develop initiatives to change consumer behaviour so they use alternative channels.

Chapter 2: Theory and Literature Review

2.1 Introduction

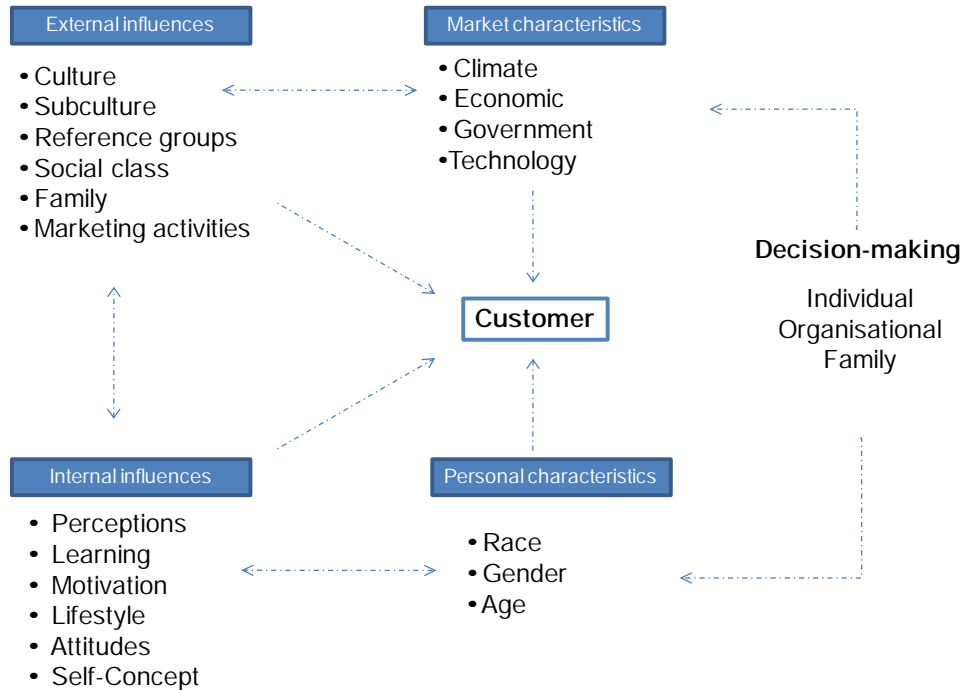
The concept of remittance and its associated distribution channels has been around for many years. Recently, newer innovative distribution channels like the online/internet, cellphone and Automated Teller Machines (ATMs) banking are being introduced globally to facilitate the transferring of money. Consumer adoption rates for these channels vary between countries due to factors such as cultural differences *et cetera*. Numerous studies have been carried out in an attempt to understand factors that influence consumers to adopt the channels, Akinci *et al*, (2004); Brown *et al*, 2003; Datamonitor Plc, (2005); Dimitriadis and Kyrezis, (2008); Eriksson *et al*, (2005) in order to explain reasons for the different adoption rates. This report aims to understand factors influencing consumers in choosing a certain channel, in addition to the traditional channels in South Africa. It builds on the previous work done on theory of Consumer Behaviour, Theory of Reason Action (TRA), Diffusion of Innovations (ID) and Theory of Perceived Behaviour (TPB) by Fishbein & Ajzen, (1975); Rogers, (2002); and Theory of Planned Behaviour, Ajzen (1991).

The theories mentioned above have since been adapted in various studies to predict channel migration (Hawley *at al*, 2011), use of internet-banking services (Hussein, 2010) and use of consumer genetics testing (Johnson, 2009). The principle of application of the TRA has been in situations where the consumer decides on a particular course of action without any persuasion (Johnson, 2009). Whereas Rogers, in his theory of Innovation Diffusion suggests that adoption of innovation is a function of social awareness or marketing activity

(Rogers E. M., 1995). This means that innovation spread through awareness and marketing to the target market.

2.1.1. Consumer Behavior

Figure 1: Overall conceptual model of consumer behavior



Source: Brink, Brijball, and Cant (2006)

Consumer behaviour is defined by the mental and physical activities undertaken by households, businesses and customers, that result in the decisions and actions to pay for, purchase and use products and services (Banwari, Bruce, & Jagdish, 1999). This definition implies that there is an interaction between the consumer and the environment in the decision-making process. Figure 1 above shows that, consumers are influenced by internal and external factors that define this consumer behaviour. Furthermore, personal and environmental characteristics play a role in the process. As indicated, there are several factors involved in the decision making process, however this research will focus on a few aspects that are relevant to this study.

A consumer for the purpose of this study refers to an individual acting as a unit rather than in a broader sense of the word, which encompasses household and business. The reason for the distinction is that even though people form part of decision in household and businesses they tend to behave differently in either context. Hence, a distinction is made between consumer and business behaviour (Brink, Brijbal, & Cant, 2006). The influences or factors that determine to large extent an individual are listed in the table below.

Table 1: Consumer Behavioural Influences

Influences	Definition
Motivation	The needs, wants, drives and desires of an individual that leads him or her towards the purchase of products or ideas
Perception	The process by which an individual becomes aware of his or her environment and interprets it in such a way that it will fit into his or her frame of reference.
Learning	The process used by individuals to acquire the purchase and consumption knowledge, as well as the experience that they apply to the future-related behavior.
Attitude	The predisposition to behave in a consistent favourable or unfavourable way towards market-related objects, events or situations.
Personality	The consumer psychological characteristics that both determine and reflect how he or she responds to his or her environment.
Lifestyle	The way of living that determines and reflects how a consumer responds to the environment.
Group	The factor that influence consumer behavior that include family, which consists of immediate family that is husband, wife and children and extended family

Influences	Definition
	that includes grandparents and other relatives.
Culture	The institutional ways or modes of appropriate behavior, which includes cultural beliefs, norms, values, and premises, that govern conduct.
Social class	The group of customers that enjoy the more or less the same prestige and status in society.
Reference group	One or more people that a customer uses as his or her basis for comparison or point of reference in forming responses and performing behaviours.
Opinion leader	One people that a customer uses as his or her basis for comparison or point of reference in forming responses and performing behaviours.

Source: Cant, Brink, & Brijbal, (2006)

2.1.2. Theory of Reasoned Action

The Theory of Reasoned Action (TRA) has been used as a model to predict behavioural intention and actual action. There are many examples where this theory is applied to predict consumer action (Johnson, 2009); therefore, researchers agree that TRA is an adequate predictor of consumer behaviours that are straightforward (Hawley *et al*, 2011, Zolait, 2010 and Cruz *et al*, 2010). The TRA model is used to understand the propensity of the adoption by consumers and use innovations. It was adopted to explain factors that influence consumer's intention to use internet banking services (Zolait, 2010), mobile banking (Cruz *et al*, 2010), and intention to use consumer genetic testing (Johnson, 2009). Proponents of the Theory of Reasoned Action argue that behavior is determined by the intention to perform that a behavior. Therefore, theory suggests that a consumer's behavior is preceded by the intention to

perform the behavior. According to (Zolait, 2010), there are three constructs that determine the user's intention, attitude, norms and perceived behavioural control (PBC).

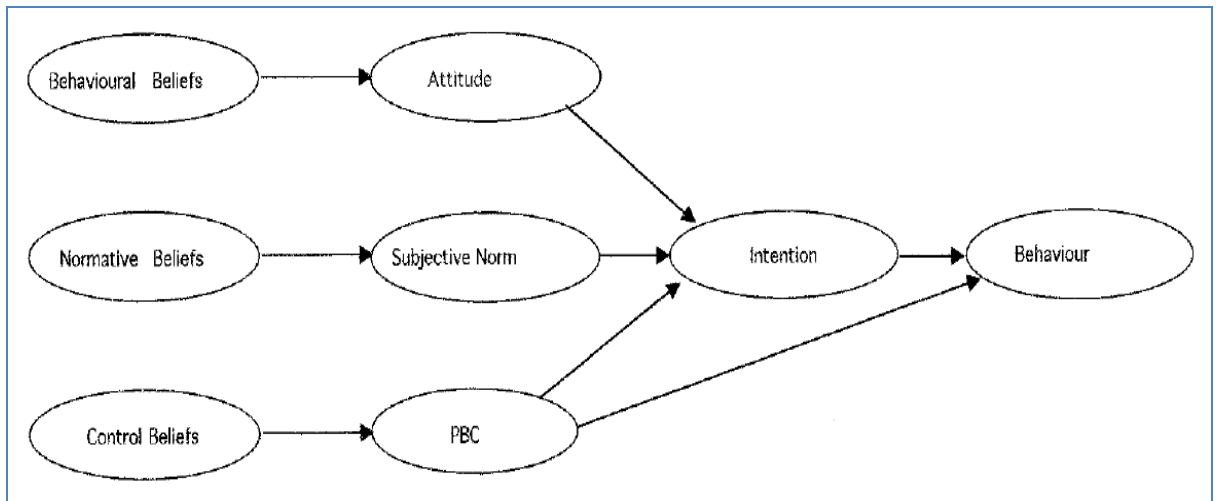
2.1.3. Theory of Planned Behaviour

According to Zolait (2010) Theory of Planned Behaviour (TPB) is an extension of the Theory of Reasoned Action, which posits that behaviour is determined by intention to perform an action. Both theories excluded other external factors that may prevent an individual to perform the action or behaviour. For example, the models do not consider trust as a factor. Trust is a very important factor for new technology or innovation adoption, including the internet and e-commerce (Dimitriadis & Kyrezis, 2008). It is amongst the most important antecedents for online shopping and essential element of relationship marketing.

The models also excluded cost, which may prevent a consumer from performing an action, pay for a service, or purchase goods. A study conducted by Aycinena *et.al*, (2010) to establish if fees for remittance has an impact on the flow of it; found that the reduction in remittance fees leads to the increase in volumes of remittance sent home, case in point El Salvador migrants. The study found that migrants do not save up money to take advantage of the reduction in fees. They would rather spend whatever amount of money they have at the time, which implies that they send money at a predefined frequency instead of taking advantage of the reduced fees. The increases operate via increases in the frequency of transactions while remittances sent per transaction remained constant. It is likely that the price reductions led to increases in total remittances sent to El Salvador (Aycinena *et al*, 2010). Factors such as convenience or

accessibility, perceived risk, culture, and frequency of use were not considered in the model.

Figure 2: Theory of Planned Behaviour



Source: Armitage and Conner (2001)

The above model was further adapted in 1986 by Davis to explain relevant factors influencing technology acceptance and consumer behaviour (Cruz *et al*, 2010). Rogers (2002) further enhanced the model to explain the adoption rate of innovation in his Innovations Diffusion Model, which is also used extensively in business to understand factors that influence consumer’s propensity to use innovations such new distribution channels. The model has five attributes of the innovation diffusion (relative advantage, complexity, trialability, observability and compatibility) which he says explains the factors or characteristics of the innovation that influences consumer adoption.

2.1.4. Diffusion of Innovations

Diffusion of innovations is the process by which innovations, ideas, concepts, technical information and actual practices are communicated through certain channels over time amongst members of a social system (Rogers E. M., 1995). Sociology has long been interested in the factors that influence the spread of

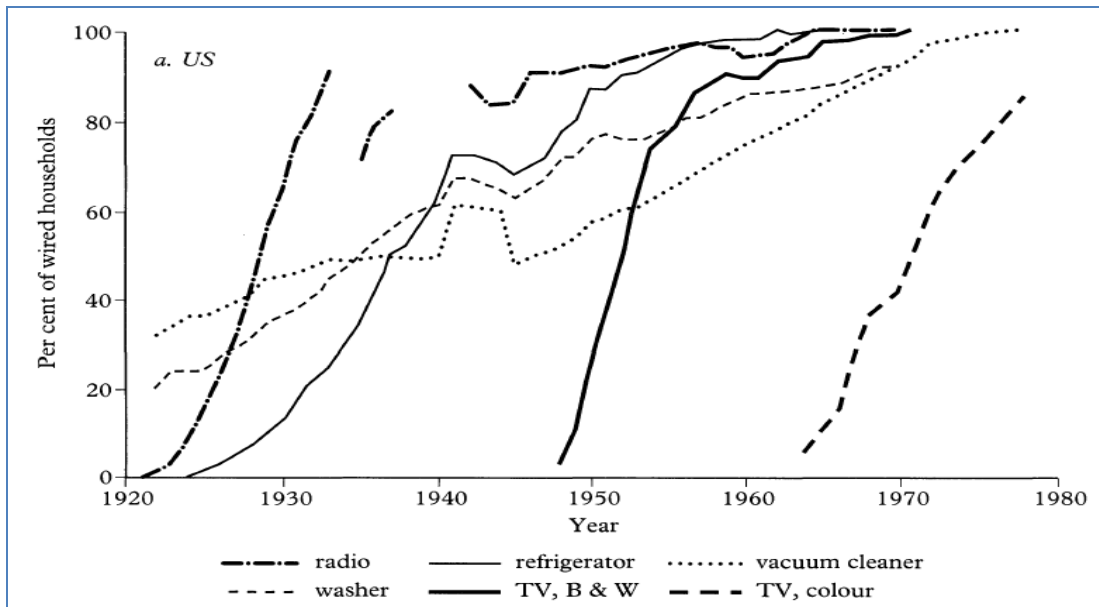
the innovations across groups, communities, societies, and countries. The evidence of this interest can be attributed to the research conducted, where the theory of innovation diffusion is used as the basis of technology (Davis, A technology acceptance model for empirically testing new end-user information systems: theory and results, 1986), and channel (Hawley *et al*, 2011) adoptions. The models in the research focus on the innovation with personal consequences rather than public. Two key factors that ensure the spread of innovations are geography and pressure of social networks. The theory of innovation diffusion underpins the framework used to examine the diffusion of innovations amongst members of society. Islam & Meade (2006) in Johnson (2009) argues that the first uses of innovation diffusion theory was in the agricultural sector and applied in various disciplines to describe and understand the spread of innovations within populations.

Since Rogers' first published book in 1962 on diffusion of innovations, it has been used to formulate marketing and business strategies for technology adoption. In his fourth addition Rogers (1995) argues that the classification of adopters into innovators (2.5%), early adopters (13.5%), early majority (34%), late majority (34%) and laggards (16%) may be flawed in that diffusion of innovation is linked directly to distribution (network, infrastructure and communication), and the affordability (Price) of the innovation which are largely influenced by the actor's social status.

The concept of remitting money is not an innovation new to South Africa. South African migrant workers have been remitting money home through informal and formal – the using of another individual to remit money, or formal – the usage of distribution channels like the Post Office, for many years. According to the

South African Post Office (SAPO) website, the service cash remittance has been offered for more than 50 years. Lately, there has been a proliferation of innovations to distribute money within and outside of South Africa such as m-pesa (Hughes & Lonie, 2007).

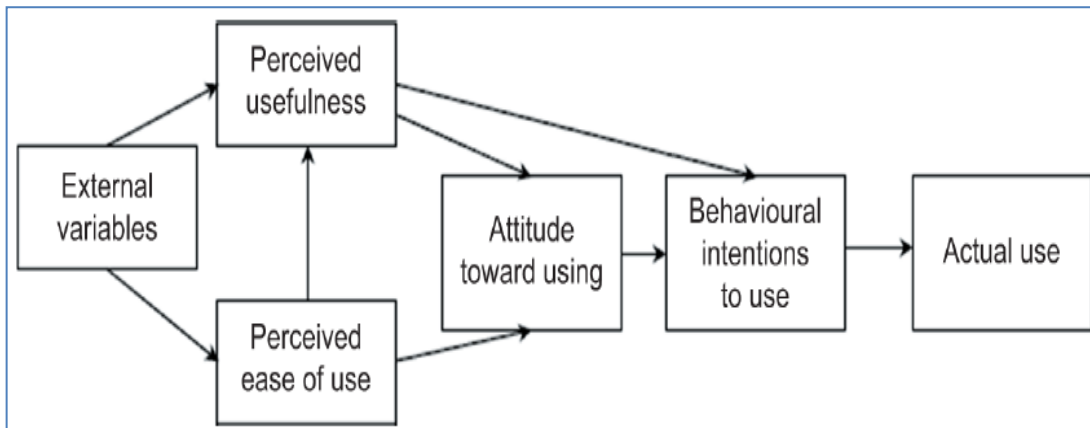
Figure 3: Household Appliances and the Use of Time



Source: Bowden and Offer, 1994

The diffusion of technology innovation differs from product to product as demonstrated in the Figure 3 above. It took less than ten years for radio to reach 80% of households in the United States of America and Britain. In contrast, it took nearly 50 years for the vacuum cleaner to reach 80% usage in United States of America and Britain households. This example demonstrates that there are factors at play that influence a wider adoption of technology in society. One of these factors includes cost of the innovation and its perceived usefulness by consumers.

Figure 4: Technology Acceptance Model



Source: Adopted from Ozkan, Bindusara, and Hackney, (2009)

2.1.5. Innovation and Technology Adoption Model

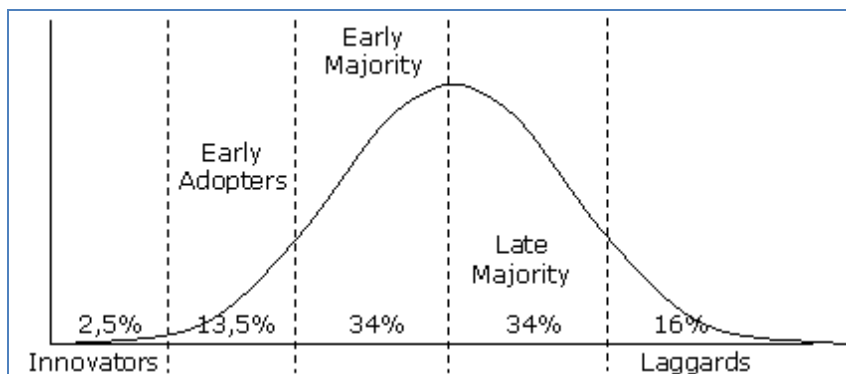
Based on the literature review on the technology adoption the use of innovation adoption theory suggested by Rogers (2002) is prevalent. Researchers argued that the factors of adoption suggested by Rogers, relative advantage, compatibility, complexity, triability, and observability of innovation influences or explains adoption. Rogers (2002) further argues that the factors determine the adoption rate of any innovation; however, price, social pressure, trust, and distribution are factors that could prevent adoption.

Further, suggestions are made, that the diffusion of innovation takes place through a social system, which explains the different adoption rates (Rogers E. M., 1995). He argued that the perceived relative advantage influence an individual's behaviour to adopt an innovation (Rogers E. , 2002). Rogers's model has been applied extensively in many industries to understand the adoption of technology innovation. The model classifies adopters of technology into the following categories: innovators, early adopters, early majority, late majority and laggards, therein shows the percentage of those population, who

will adopt an innovation over the time. It has been found to be a useful predictor of penetration of television, phone and computers technology by different groups in a population. Many organisations develop strategies to influence adoption based on the categorisation of consumers suggested by Rogers.

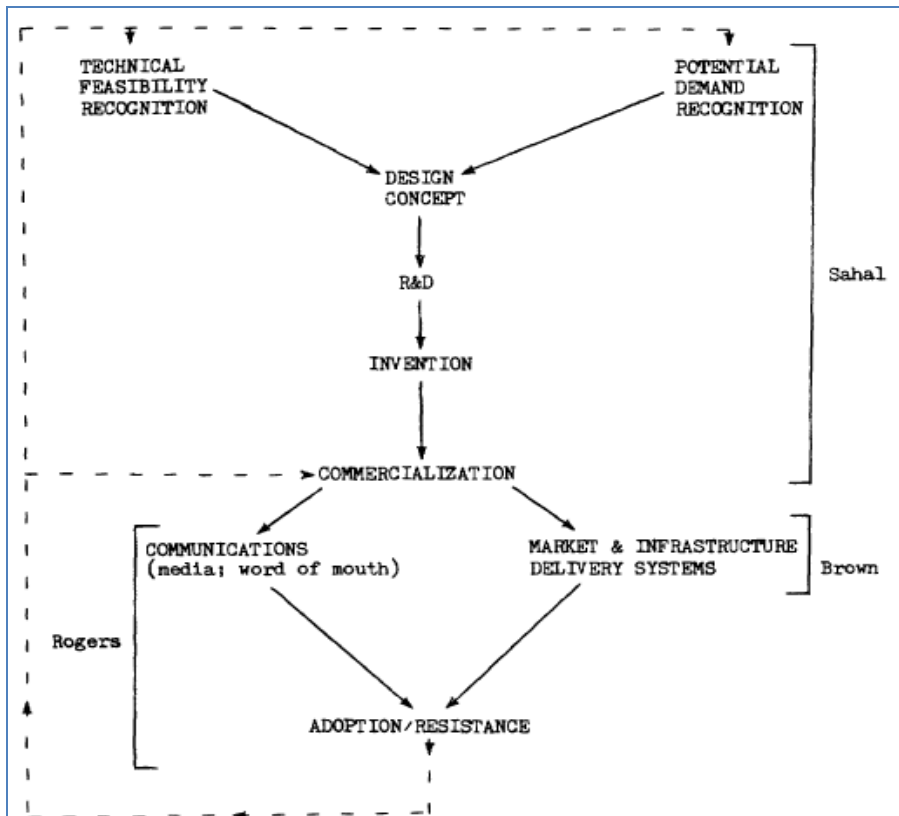
Proenca and Rodriguez (2011), put forward in their report that Eriksson *et al*, (2005) Internet Banking is especially convenient and popular with consumers; Yang (2009) that Mobile Banking is increasingly becoming popular as it provides location-free convenience and cost-effective. Akinci *et.al*, (2004) demonstrates the increase in the use of ATMs, point-of-sale (POS), and Telephone Banking by customers is related to their level of confidence with using computers therefore are more geared towards emerging technologies.

Figure 5: Rogers' Adoption Curve



Source: Rogers, (1995)

Figure 6: Conceptual framework of Brown, Rogers and Sahal



Source: Deshpande, (1983)

The above diagram provides an overview of the innovation process from the conceptualisation stage through to adoption or resistance of the innovation by consumers. According to the above diagram, Sahal (1981) literature's on innovation focuses on four steps – design concept, R&D, invention commercialisation. These are preceded by convergence of technological feasibility and potential demand that act as precursors for design concept. There is a wide range of literature that focuses on innovation and how to be innovative, which Sahal and others have written a numerous books on the subject. However, the concept innovation is out of scope of this research. The research aims to investigate the factors that lead consumers to adopt innovations produced through the process.

In this case, the focus will be placed on new technological inventions or channels designed to enable consumers to send money in South Africa. Brown and Rogers' perspective predominantly focuses on this aspect which the study aims to investigate. According to Brown (1983) and Rogers (1995) diffusion of innovations is driven by distribution and communication. Brown's perspective looks at the distribution and infrastructure as a critical element for the technology innovations to gain wider acceptance. In support of the above statement, it is unlikely that an innovation will be adopted if it is not easily accessible to the broader population. On the other hand, Rogers (1995) explains that word-of-mouth and media are often the channels by which innovations spread and communicated in the market or social system..

2.1.6. History of Remittance

The concept of remittance has been evolving over the years. Since the introduction of new distribution channels such as service providers and internet, the flow of remittance increased substantially (Dilip, 2003). However, new technology is not entirely responsible for the increase, as other factors such as regulation have had an effect.

Remittance – as defined earlier in the paper, refers to the sending of money by migrants to their families. Grabel (2008) highlighted that the current consensus on remittance is the most comprehensive measure on recorded remittances: furthermore, the sum of the following three items that appeared in the International Monetary Fund's (International Monetary Fund, 2010) Annual Balance of Payments Yearbook 2008 are: (1) Unrequited transfers/worker remittances refer to money sent by migrants, those who work abroad for more

than a year, to family and friends on which there are no claims by the sender; (2) migrant transfers refer to the net worth of migrants moving from one country to another; and (3) compensation of employees refer to funds sent abroad by temporary workers; those who work abroad for less than a year.

Pablo *et al* (2010) concluded that good financial institutions enhance the efficiency of remittance and eventually lead to economic growth in developing countries. This view is supported by the World Bank that it is encouraging good governance to enable remittance flow. In addition, Giuliano and Ruiz-Arranz (2009) found that remittance contributes to the growth of financially less developed countries. For example, the international remittances flow to Ethiopia amounted to eight percent of gross domestic product in the 2009/2010 fiscal year. Balwaba (2011), explained that the remittance underpinned the domestic demand-driven expansion of the Ethiopian economy.

2.1.6.1. Cross-Border Remittance or Money Transfers

As highlighted in the introduction, cross-border remittance is the flow of financial resources from a higher-income earning individuals to a lower or non-income earning individuals or groups in a migrant sending country (Gabel, 2008) (Gabel, 2008). The migrant worker who leaves their home country in search of better employment opportunities elsewhere, predominately in developed countries, drives this flow of remittance. The evidence in the World Bank's 2010 data suggested that a large percentage of the remittance flows over the years have been from countries of higher income to countries of lower income (OCED, 2011). Gupta *et al* (2009), found that remittance have a direct poverty-mitigation effect and a positive impact on financial development. The Sub-

Saharan region receives a small percentage of the remittances recorded globally.

Nevertheless, the region performed well towards the achievement of the millennium development goals, such as education and access to clean water (United Nations, 2010). The possible reduction in development aid especially for poverty alleviation is a cause for concern in some of these countries as it is important source of social development funds (OECD, 2010). Hence, the flow of remittance becomes an important factor towards economic development and poverty eradication (IHS Global Insights, 2010). The Sub-Saharan needs increased remittance flows to fill the gap that could appear the sudden reduction in Official Development Assistance.

2.1.6.2. Domestic Remittance or Money Transfers

As mentioned in the previous chapter, researchers have thought remittance flow from developed to developing countries. There is evidence that shows the flow between developing countries as well as within the country (Crush & Frayne, 2007). The latter flows are referred as domestic remittance. Meanwhile, researchers refer to the former flows as international remittance. Both types are concerned with financial resource flows from a higher income earner to a lower income earner within or outside the borders of a country.

The flow of remittance within South Africa varies across the different channels. The difficult comes in identifying domestic flows in some unregulated channels, or informal channel i.e. taxi driver.. What we want to achieve with this study is to obtain plausible understanding of the main drivers for behind need for a consumer to use of a particular channel. The premise of this study is altruistic

motives drive remittance, which results in consumption to drive the economy at a micro or macro-economic level.

2.1.7. Distributions Channels

2.1.7.1. Non-bank distribution channels

In the past, many migrants relied in part on informal or non-bank channels to send money home (Chua, 2006). Although channels such as mobile, banks, Western Union and MoneyGram are popular, people continue to use informal channels. The Philippine migrants only send money home through their friends who bring the money when they visit the home country. The latest development in information technology has resulted in new secured and efficient distribution channels for remittances, especially in the banking sector. However, the adoption of new channels varies across different cultures and countries. For example, mobile banking is gaining popularity in Kenya, where an estimated transfer of \$ 350 million every month is send through the mobile channel. There many reasons people continue to prefer non-bank channels, which the study will investigate.

The regulation regime in South Africa only allows banks to offer money transfers within the country to prevent money laundering. Remittance or money transfer operators such as MoneyGram and Western Union have to collaborate with retailers and banks to originate and remit across borders. In South Africa, mobile operators collaborate with banks (Standard Bank, Bank of Athens, First National Bank, and Nedbank) and retailers (Pick and Pay, Shoprite Checkers etc.) to offer mobile banking and money transfer services. Mobile banking industry in Africa is estimated to reach US \$22 billion in 2015 on the backdrop

of growing cell phone use and demand for basic financial services (Balwaba, 2011). The most successful mobile banking so far has been the m-pesa in Africa. While the m-pesa model is impressive in Kenya with 10 million subscribers and transfers of \$350 million per month, it may not translate elsewhere in Africa where there is a different competitive landscape amongst cell phone networks operators. The model is not network agnostic, which what is likely to benefit consumers, they should be able to transact with any institution regardless of mobile network they have relationship with. In the end, cell phone network operators need the backing of a bank to provide financial services for its consumers.

2.1.7.2. Bank distribution channels

The 2005 Datamonitor report highlighted that many bank customers are choosing a wide range of channels to service their accounts or perform transactions and buy new products (Datamonitor Plc, 2005). Customer trends and preferences are forever changing with customers preferring the branch for high-value/complex transactions, product purchases and electronic channels for commodity or basic transactions (Datamonitor Plc, 2005). Hence, financial institutions had to adapt their responses to these changing needs. Over the last two decades, financial institutions have undergone significant changes to integrate technology in response to customer needs. New technologies provoked important changes both in customer behaviour and in the channel structure of banking distribution systems.

There have been many research reports to understand the factors that influence consumers' willingness to use technology for banking. The consumers want

services suited to their individual needs. The distribution channel mix of banks today comprises of branch, Automated Teller Machine (ATM), mobile, Internet or online and Interactive Voice Response (IVR). The banks have acknowledged the customer need to have viable alternatives to service and perform transaction on their accounts (Datamonitor Plc, 2005).

2.1.8. Factors Influencing decision in choosing a channels to remit

According to Hawley *et al* (2011), consumers are conscious shoppers who select retailers they perceive will provide the most satisfactory shopping experience and value for money. The same can be said about consumers who need to send money as they have multiple channels at their disposal. These consumers, same as shoppers, have a variety of channels available to send money already. As Hawley *et al* (2011), argue that multi-channel consumers are those consumers who shop in three or more channels, such as bricks-and-mortar stores, catalogues, the internet, television shopping, and direct marketing. The aim of this study is to understand the factors that influence consumer decision in choosing a channel to remit, bricks-and-mortar, cellphone, internet, and friends.

The study by (Proenca & Rodrigues, 2011) found that there is a significant relationship between demographic variables (age, level of education, occupation, region of residence) and the use of Self-Service Terminals (SST) banking services in Portugal. However, they acknowledged that these variables are not the same in other countries. There is an understanding that the younger and middle-aged people are the main users of Self Service Terminals in banking. In addition, the study found that the users of self-service channels are

likely to be price sensitive. The study will use some of the factors used in the (Proenca & Rodrigues, 2011), study to consumer behaviour, which influence use of Self Service Terminals (satisfaction, sensitivity to price, propensity to change providers, word-of-mouth and intention to repurchase) and the factors that influence consumers to adopt innovation. This study will consider five factors, social influence or subjective norms, perceived risk, ease of use, perceived usefulness and innovativeness that may influence consumer decision to remit through available distribution channels, Mobile, ATM, Shoprite, Spar, The Post Office, Bank branch, family and individual.

2.1.9. Constructs

Table 2: Research Constructs or Variables

Construct	Description
Social pressure/ Subjective norm	The perceived social pressure an individual faces when deciding whether to behave in a certain way (Zolait, 2010).
Perceived risk	Perceived risk relates to the uncertainty and consequences associated with a consumer's action. The level of risk is said to diminish when individuals trust others or channel involved in the transactions (Davis, 1986).

Construct	Description
Innovativeness	The innate willingness of an individual to try out and embrace new technologies and their related services to accomplish specific goals. Based on the Innovation Diffusion Theory, personal innovativeness (also known as technology readiness) embodies the risk-taking propensity that exists in certain individuals and not in others. This definition helps segment potential adopters into what characterises as innovators, early adopters, early and late majority adopters and laggards. (Rogers E. M., 1995)
Perceived usefulness	Perceived usefulness is the degree to which a person believes that using a particular system would enhance his or her job performance (Davis, 1989).
Perceived ease of use	The internal believe a person has that using a particular system would be free from effort (Davis, 1989, p. 320).
Behavioural intention	Intention or willingness to engage in certain behavior in the presence of a person or object (Fishbein and Ajzen, 1972, p. 495).

Source: Author's research

Several authors have argued that the subjective norm is the weakest variable to predict consumer intention or behavior (Ajzen & Fishbein, 1975). The factor looks at the social context that influences a consumer's decision-making. Rogers (1995), argues that information about the existence of an innovation flows through social systems to the potential adopters (Innovators, Early Adopters, Early Majority, Late Majority, Laggards), by word-of-mouth or marketing activity. The information is then processed by the adopters to form a

perception about the characteristics and perception in relation to the other contextual factors, which then serves a determinant of the innovation adoption behaviour or usage. Furthermore, the desire to gain social status is most important motivation for adopting an innovation (Rogers, 1983). Hawley *et al* (2011) argued that subjective norms positively influenced channel migration intentions. They said for online shopping individuals tend to fit in with perceived opinions of others.

According to Mallat (2007), perceived risk factor had influence on the use of mobile for payments. The participants in that research raised concerns associated with mobile payments, Unauthorized use, Lack of transaction record and documentation, Errors in payment transactions, Vagueness of the transaction and perceived lack of control, device and mobile network reliability, compromising privacy which detrmines the adoption of the channel for payment purposes. The findings further indicated that trust in mobile payment service providers and merchants reduced the perceived risks of mobile payments.

In many research on the adoption innovation, attitude had influence on the propensity to adopt innovations. Therefore attitude as a factor will also be included in this study. It is believed to indicate the user's propensity to adopt a new innovation. Attitude has always been recognized to predict intention (Bidoli, 2004). Akinci *et al* (2004), argued that attitudes and motives are among important factors that influence consumers' buying behavior. In the same way, it can be said that attitude towards the bank and a non-bank channel has great influence over the consumer decision in choosing a channel to remit from.

June *et al* (2003), in their model of technology acceptance, argued that the perceived usefulness has a direct influence on the intention to use and an indirect influence on intention to use through attitude. They had divided the factor in their Technology Acceptance Model study into perceived near-term usefulness and perceived long-term usefulness.

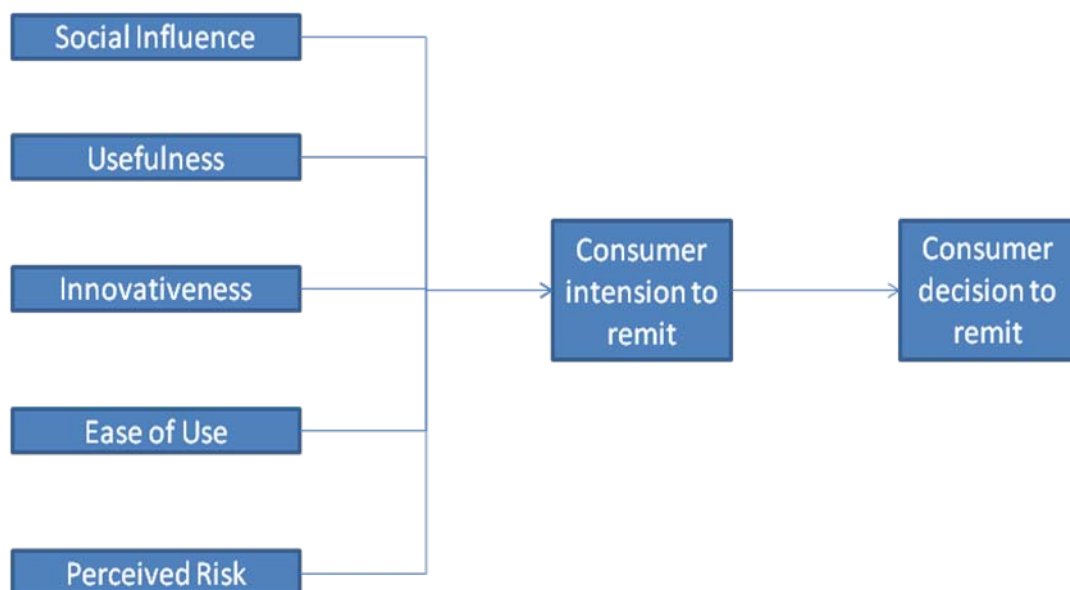
Roger (1995), argues that technology or innovations are most likely to be adopted if users perceived them to be easy to use. What this means is that for any technological innovation, where the interface is complex to use, the user is unlikely find it easy to operate. Research on that focuses on technology adoption, will always consider the ease of use of the technology as it is one of the defining factors to getting valid and reliable findings. However, if that innovation is deemed regulatory or mandatory to adopt such as government legislation because these may have negative consequences.

Chapter 3: Research Hypothesis

3.1 Factors or Consumer Influences

The purpose of this study is to investigate factors that influence consumers decision in choosing a channel to remit. Based on the literature review, theoretical models and frameworks presented in chapter 2, Technology Adoption, Innovation Diffusion, Theory of Planned Action and Theory of Reasoned Action, a number of internal and external factors were identified. The study will measure these factors (independent variables) in order to determine their influence on the intention (dependent variable) or decision to remit in a channel.

Figure 7: Author's model for consumer decision to remit



Source: Author

The challenge for banks and non-banks is to figure out what factors play an important role in the decision. Banks and non-banks have introduced new channels of remitting but the adoption of the technology or new channels have

yet to reach desired outcomes. The following hypotheses were proposed for testing the factors that influence consumer's decision to remit through available channels.

3.1. Hypothesis 1:

H0: Social Pressure does not have influence on consumer's decision to remit through a channel.

H1: Social Pressure does influence consumer decision's to remit through a channel.

3.2. Hypothesis 2:

H0_2: Perceived risk does not influence the consumer decision to remit through a channel.

H1_2: The Perceived Risk significantly influences the consumer decision to remit through a channel.

3.3. Hypothesis 3:

H0_3: The Attitude of the individual has no influence on the decision to remit through a channel.

H1_3: The Attitude of the individual has significantly influence on the decision to remit through a channel.

3.4. Hypothesis 4:

H0_4: The Perceived Usefulness of the individual does not influence the consumer's decision to remit through a channel.

H1_4: The Perceived Usefulness of the individual has influence on consumer's decision to remit through a channel.

3.5. Hypothesis 5:

H0_5: The Perceived Ease of Use of the individual has no influence the consumer's decision in choosing a channel to remit.

H1_5: The Perceived Ease of Use of the individual has significant influence the consumer's decision to remit.

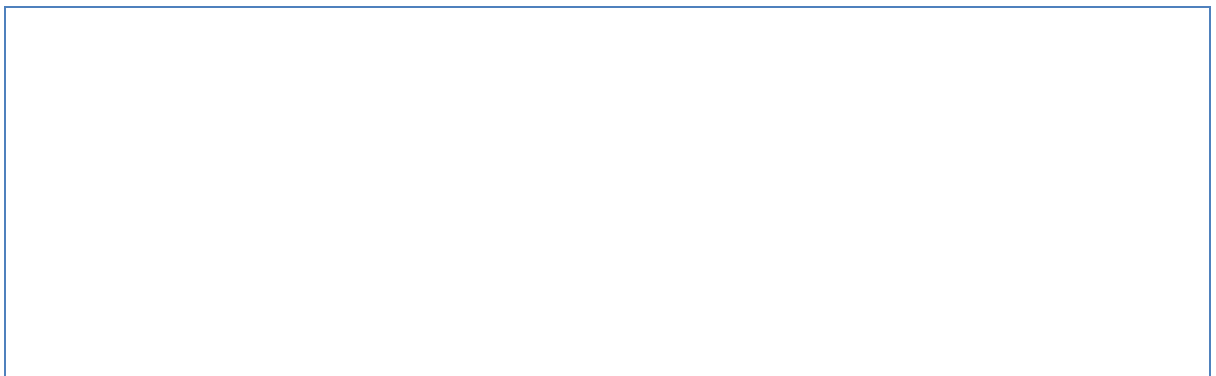
The above hypotheses are based on the fact that these factors influence consumer behavioural intention. The hypothesis will help identify the key predictors of intention by consumers.

Chapter 4: Research Methodology

This chapter presents the research model, data collection approach, population, sampling method and measurement instrument employed to test the hypothesis stated in chapter 3 . The first section of the chapter provides details of the design and methodology of the study. section also provides the rationale for the chosen design and methodology. The chapter concludes with the presentation of the limitations of the study in view of the approach, design and instrument used.

4.1 Proposed methodology and research design

Figure 8: Research Model



Source: Author

The study was quantitative in nature. It used decoded numbers generated in SPSS to draw insights about the factors influencing decision in choosing a channel to remit. The quantitative data was collected from participants in two approaches, online and field study. According to (Blumberg & Cooper, 2008), quantitative studies rely on quantitative information to gather insights about an observation. Blumberg & Cooper (2008), also argued that a study concerned with finding out who, what, where or how much, is said to be descriptive study.

Hence, this study was define as descriptive because the objective was find out what factors influence consumers to remit in a specific channel. The quantitative study was appropriate for the study because it provided quantitative measure for something that is not easily quantifiable and observable.

4.1.1. Measurement instrument

The instruments used for the study was an online and hard copy questionnaire. The measurement scale of the questionnaire was five-point bipolar Likert scale. The labels used were agree strongly, agree, neutral, disagree, disagree strongly, to evaluate items on the questionnaire. The items were scored from 1 to 5. The strong agreements with the items on the questionnaire were given a score of 5. While strong disagreements were a score of 1. The instrument items were designed using questions from different studies on attitude, perception and behavioral intention. The demographic, education, age grouping were taken from a Finscope study (FINSCOPE, 2009). The questionnaire was not translated into the local languages however; the numerators translated or explain questions where participants were unsure of the meaning.

The questionnaire first comprised of 16 questions, when it was later realised that it may not provide the correct data to answer the research hypothesis, therefore a decision was made to add an additional three questions, making the total number of questions asked to 21 questions, which then included the provinces The questionnaire had one qualifying question that was used to qualify participants. The participants who answered “no” for the qualifying question were excluded from the analysis.

Section A of the questionnaire had demographic profile of the participants, while Section B was the qualifying question. Meanwhile, Section C of the questionnaire contained behavioral questions. Section D contained questions that address the attitudes, perceptions and intentions of participants and the perception they have about their family members. As mentioned above, the Likert scale was used to measure the variables as it pertains to the respondent's influencers. The Likert is a useful scale to measure attitude, intention and perceptions dimension of participants, which indicate how strongly they agree or disagree with the statements provided (Ajzen & Fishbein, Theory of attitude, 1975). The sampling technique used for this study was ideal to achieve the study objective.

4.1.2. Data collection

The data for the study was collected using various methods including a: self-administered online questionnaire and an administered field questionnaire. The online questionnaire was loaded on survey monkey. SurveyMonkey is an online research tool to collect, from which a link was emailed to a group of people in the office. Another link was then placed on Facebook requesting friends, and friends-of-friends to complete the survey. It was understood that this method of collection created some biases; however, the bias of this method was reduced, as participants were not coerced to complete the survey.

The first survey – online, 33 responses were received. The data from those responses were used as a pilot study. Upon reviewing the questionnaire, where drafts were produced before finalising the online and field survey, where noteworthy feedback from statistician as well as the participants, it was

determined that there were errors on the survey which have since been corrected. In addition, the nine provinces of South Africa were included, as they had been previously excluded in the questionnaires. Kwa-Zulu Natal province was initially but later added on the questionnaire that was used for final data collection. According to (Blumberg & Cooper, 2008), the advantage of self-administered online questionnaire is that it is easy to distribute. The questionnaire can be distributed in a number of ways (via fax, email, online and survey) to reach more participants, which makes accessing a large number of participants plausible.

Four enumerators were appointed to collect data on the field survey. The enumerators were briefed on how the data needed to be collected. They were given show cards with the Likert scale rating for ease of reference for participants. A show card is paper cut out that showed the Likert scale of the questionnaire to demonstrate to participants how to answer the questions. The enumerators were paid R2, 000 for the study (see invoice in appendix A. The enumerators charges out rates were R 500 each.

The field survey was conducted in Gauteng province at the following locations, Cedar Square, Diepsloot, Randburg and Rosebank shopping centre's. The participants were asked a series of questions like: their age, what channel do they use to remit, by the enumerators. The sample was limited to 52 responses because of the cost of data collection. The Gauteng province was chosen as the place to conduct the study because it is the centre of economic activity in South Africa and it was convenient for the researcher.

The online survey was sent to participants in Gauteng but it could not be confirmed if it was only limited to the province. Since a snowball, approach was used. However, it was cost effective for the study. The reason why Gauteng was a focal point for both surveys is related to the fact that there is high probability of finding a wider pool of participants with varying incomes brackets.

On the other end, the online survey racked 34 responses. The survey was eventually closed due to slow response rate and limited time. The self-administered online questionnaire was cheaper to administer compared to the field study because participants can be left alone to complete the questionnaires with minimal assistance (Blumberg & Cooper, 2008).

Compared to the online survey, the field study had a significant response rate. The reason for the better response in field surveys was there better control of response rate. The data for the field survey was recorded in the form of hard copies which were then collated and captured into an excel spreadsheet. The spreadsheet was then exported into SPSS for analysis. In conclusion, more data were was collected through the field survey.

4.1.3. Population and sample

A population is a total number of persons residing in an area at a give time (Buglear, 2005). In quantitative methods a population is the complete set of things that we want to investigate (Buglear, 2005). The population of this study constituted of adult consumers aged 18 and older who remit for family living in a different domicile in South Africa. The study excluded participants who remit across the borders of South Africa, as they were not targets of the study.

4.1.4. Unit of analysis

According to the Blumberg & Cooper, Business Research Methods (2008) defining the unit of analysis for any study is an important part research design. The unit of analysis for this research will be the South African consumers, aged 18 and older who remit through a bank or non-banking institution's distribution channel.

4.1.5. Sample and sampling technique

A sample is a subset that is drawn from a population; a smaller of items picked from the population (Buglear, 2005). As mentioned, a sample of 52 consumers who remit in South Africa were obtained for field study. Meanwhile, a sample of 34 responses was obtained from the online survey on SurveyMonkey. The sampling procedures were necessary for both as the populations who remit is too large for the scope of this study. The author used two sampling procedures for the study to get a full spectrum of participants.

A convenient and snowball procedure was used to collect data. A convenient sample is sample that is chosen at the discretion of the researcher (Buglear, 2005). The disadvantage of convenient sample is based on biases and lack of precision (Buglear, 2005). Hence, the sample size of 52 responses was necessary to reduce the bias error inherent in a convenient sampling procedure

The numerators used in the study were seasoned professionals in survey data collection. The statistician was requested to provide a letter of assurance that the numerators are qualified to administer the data collection (see Appendix A). The researcher numerators were handed 13 questionnaires to conduct interviews.

Using the online platform, the author created a survey on SurveyMonkey. The questionnaire had 18 questions, which were later increased to 21. The questions were increased as the author felt the current questions would not provide the data needed to achieve the objective of the research. The questions on for the online survey were more because of section D. The design of the questionnaire on Survey Monkey was complex. The link to the online survey was sent to Gibs PDBA students, Facebook friends and work colleagues for the final survey. The snowball procedure was used to obtain more participants. Snowball is a data collection method where more data is collected by requesting referrals from a participant in the study (Buglear, 2005). The online questionnaire was piloted with 33 – conveniently selected individuals via the survey monkey platform to test the validity of the questions. The pilot study was important for two reasons: (1) to test the non-response rate and (2) Establish whether the participants have a clear understanding of the questions being asked. The second phase of the online survey was conducted together with a field study to gather responses from a bigger sample. The basic idea of sampling is that by selecting some of the elements in a sample, we may draw conclusions about the population (Blumberg & Cooper, 2008).

4.1.6. Data analysis and interpretation

The analytical procedure of any study is largely determined by type of data that is collected (Blumberg & Cooper, 2008). This study was focuses on multiple independent variables, grouped into five factors; social influence, perceive usefulness, perceived risk, perceived ease of use and innovativeness, which are not physically observable. The data type for this research was nominal in nature, which means that statistical analysis that can be done is limited.

Nominal data consists solely of the names or labels such as gender, age etc. (Buglear, 2005). Buglear (2005) stated that the possible analysis for nominal data is constructing frequency tables and proportions. The data from the responses for each construct was categorised into a contingency table to obtain descriptive statistics, as well as the percentages.

On the other hand, a multiple regression analysis was conducted between independent variables (factors) and each dependent variable (DV). The results of the multiple regression analysis were interpreted. T-tests were carried out to test the hypothesis that the mean ratings (Likert scale for the factors) are equal to the mean of the scale of three. The t-test was conducted on all the factors; social influence, perceive usefulness, perceived risk, perceived ease of use and innovativeness.

Furthermore, a multiple regression was conducted to determine the simultaneous effects of the factors on the dependent variable (DV). The analysis generated a mathematical model with a coefficient for each factor. Some of the factors were removed from the model, as they did not correlate with the independent variable (IV). The resultant regression equation models the best relationship between the factors (IV) and the decision to send money (DV).

In addition, Cronbach's Alpha was determined for each factor to establish if the factor are consistent or reliable when group together. A regression model was integrated to find out if there is a relationship between the intention to remit for both bank and non-bank channel (dependent variable) and the various factors

(independent variables). The results of the model showed that one factor predict consumer's intention to remit for each channel.

4.2. Limitations

- In an interview with a waiter at a Pretoria restaurant revealed two important insights. Firstly, consumers are likely to withhold information about salary or money remitted. Secondly, people are willing to provide general information. The waiter was asked if she sends money to a family member in different domicile, she confirmed that indeed she sends money to her family. However, when asked how much money she sends home. She defensively replied: "why do you want to know?" Her unwillingness to answer the question about money highlighted the possible reluctance and/or distortion by the participants to accurately answer the survey question. The sample was limited to people who send money to a person living a different domicile or location within the borders of South Africa.
- The study is non-probability, which, implies that the conclusions of the study will not make any inferences about the population, as the methodology chosen for the study was bias.
- The study was only conducted in Gauteng, which limits the study from making inferences about the population of consumers who remit in Gauteng.

Chapter 5: Results

5.1 Introduction

The purpose of this chapter is to present the results of the surveys conducted for this study in a clear and concise format. To ensure the above objective is achieved, the chapter is divided into sections. The first section presents a summary of the results for both surveys. While the second section, presents the *t*-test, factor analysis, and multiple regression analysis of the predictors of the intention to remit for bank and non-bank channels. The chapter concludes with an evaluation of the results as it pertains to the research hypothesis.

The statistical analysis for this study was done only for the field survey due to the insufficient number of participants needed to take part in the online survey. In addition, the questions relating to channel preferences of the family members were excluded in the analysis as most participants had skipped the majority of the questions about family preferences. Hypothesis tests were completed on a one sample one sided *t*-test. Based on the five point Likert scale, a mean score of three was set as the expected value of the mean of each of the items in questions 11 to 20. The expected average was selected to determine whether the participant rated the items towards the high or low end of the Likert scale. The higher rating means that the participants agree or strongly agree with the statements. The items were grouped to form a single factor or variable (see Figure 7).

A Cronbach's alpha was calculated for each factor to test reliability or internal consistency. It is used to check if the items that are grouped measure the same

factor or construct. Finally, a multiple regression analysis was done to test the relationship between the factors and intention to remit using a bank or non-bank channel.

5.1. Pilot study

Two pilot studies were completed before the final online and field surveys. The first pilot to be completed was online. It was piloted with Gibbs PDBA students and work colleagues. The pilot ran from the 28th August – 19th September 2011. This was completed by sending a link to the survey using SurveyMonkey. Online pilot had 33 responses while field only two responses were collected. The field pilot was done before the field study could commence to test the responses of the participants. The purpose of the field pilot was to test whether participants would be willing to be interviewed using the questionnaire. Both pilot questionnaires had a total of 17 questions.

5.2. Findings of the pilot

After receiving the results of the online pilot, improvements to the questionnaire were made. The following changes were subsequently made to the questionnaires:

First, options for question five of the field questionnaire were edited to include the age for over 50 years and older. The last options on question 7, 8 and 10 were also edited as they also excluded options to indicate more than the options. The options, 2 and 3, for question nine were swapped around so they can follow a chronological order.

Circle number options were included for the following questions, 1-9; 10 – 11, and 13 - 17 for participants to be able to circle the options. The questions were renumbered from question 14 of the draft version three of the questionnaire. Instructions on how to complete the questionnaire were included for question 12 and 13 of the draft. Question 17 was added to the questionnaire. The question was included as it was going to be used for regression analysis.

The statement on question 14 of the draft questionnaire was changed slightly. This was made by rephrasing the question from: instead of “Prefers that I sent money...” to “they prefer that I send money through this channel to...” since we are referring to the recipients preference. The scale of the questions were changed from “Never used”, “Used before” and “Now using” to “Strongly disagree, disagree, Neutral, Agree, and Strongly agree”. This was done because the Likert scale is good for measuring the attitude or preferences. The instructions to thank participants were included at the end of the questionnaire. The pilot was useful as it highlighted that the questionnaire should be tested to get better results in the survey.

5.3. Summary of the results

A sample of 52 responses was collected from the field survey. It was limited to 52 because of the cost associated with collecting more responses. While, a sample of 34 responses was received from the online survey. This survey was closed with 34 due to limited time left to do analysis of the results. While it may not form part of this section, it is important to highlight that the response rate for the field survey was better than the online survey with 52 responses received. Due to the small sample size (34), the statistical analysis for the online survey was not

performed. Nonetheless, a high level comparison of the responses for online survey and field was done.

5.4. Comparison of the field and online surveys

The tables below show the demographics of the participants who took part in the field and online surveys.

5.4.1. Gender

Table 3: The gender of the survey participants

Variable	Field	Online
Male	48%	65%
Female	52%	35%

Source: Author's research

The field survey had more female participants than males. While males were in the majority for the online survey (see Table 3: The gender of the survey participants Table 3). The split between male and female for the field survey could be attributed to the bias of the numerators in selection of participants. While the split for the online survey was purely due to random samplings, as participants completed the questionnaire without any pressure. They were informed that they exit the survey at any time.

5.4.2. Race groups

Table 4: The race groups of the participants

Race	Field survey	Online survey

Race	Field survey	Online survey
Black	60%	66.9%
White	17%	14.7%
Indian	13%	11.8%
Other	10%	8.7%

Source: Author's research

In terms of racial groupings, the majority of the respondents were black (60%), following with 17% of white population, proceeded by Indian population (13%) and finally other at 10%. The Other grouping included Coloureds, Malays and Asians. The results to some extent reflects the demographic split in South Africa.

5.4.3. Income level

Table 5: The income groups of the participants

Income	Field survey	Online survey
Less than R8,000 per month	50%	5.9%
R8,000 - R24, 000 per month	33%	35.3%
More than R24, 000 per month	17%	58.8%

Source: Author's research

Those in the majority (50%), who participated in the field survey, earn income of less than R8,000 per month, thus the group falls within the low-income bracket (see Table 5 and Error! Reference source not found.). Meanwhile, 33% and 17% earn between R8,000 – R24,000, or more than R24,000 per month respectively,

this group commonly represents middle to higher income earners.. The results of the field survey showed that amongst consumers those who remit, higher income earners formed a smaller percent of this number.

In contrast, the online survey results indicated that majority of participants earn higher incomes. Those in the majority (58.8%), who participated in the online survey, earn income of more than R24,000 per month, thus the group falls within the high-income bracket (see Table 5 and Error! Reference source not found.). Meanwhile, 5.9% and 35.3% earn less than R8,000, or between R8,000 - R24,000 per month respectively, this group commonly represents low to middle income earners. The results showed that amongst consumers those who remit, higher income earners formed a significant percent. The results of both surveys showed incomes of participants across the income spectrum. This implies remitting is not dependent on the salary of the participants.

5.4.4. Age group

Table 6: Age groups of participants

Age Group	Field	Age Group	Online
15-24	14%	21-29	26.5%
25-34	54%	30-39	58.8%
35-49	22%	40-49	11.8%
50 and above	10%	50-59	2.9%

Source: Author's research

The age breakdown used for both the surveys were slightly different in terms of ranges. Hence, a direct comparison is not plausible for this demographic

dimension. Overall, both surveys had middle-aged participants in the majority. More than half of the participants (54%) who send money were between the ages of 25 and 34 years, and a small percent were age group 50 years and above for the field survey. Whereas, those who participated in the online survey a significant percent (58.8%) are between the ages of 30 and 39 years, and the small percentage are between the ages of 50-59 (2.9%) years. Therefore, one can make an inference that the majority of people who remit money are in the working age groups.

5.5. Provinces where money is frequently sent

The chart below shows the provinces where money is frequently sent.

Figure 9: Provinces where money is frequently sent to for field survey

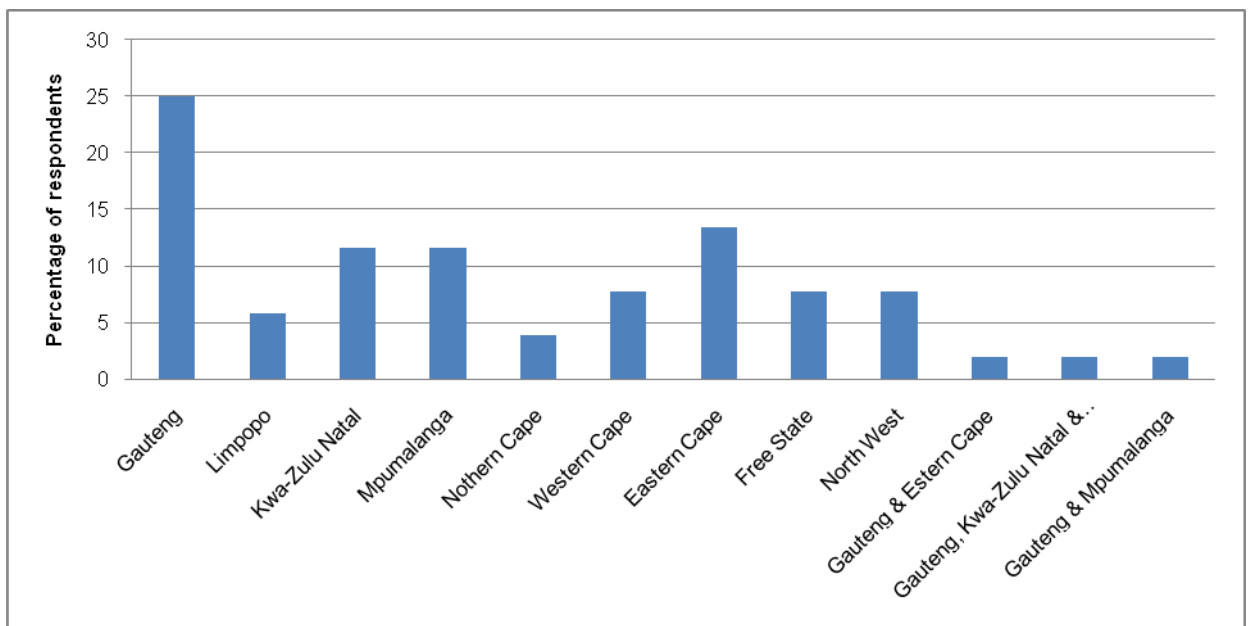
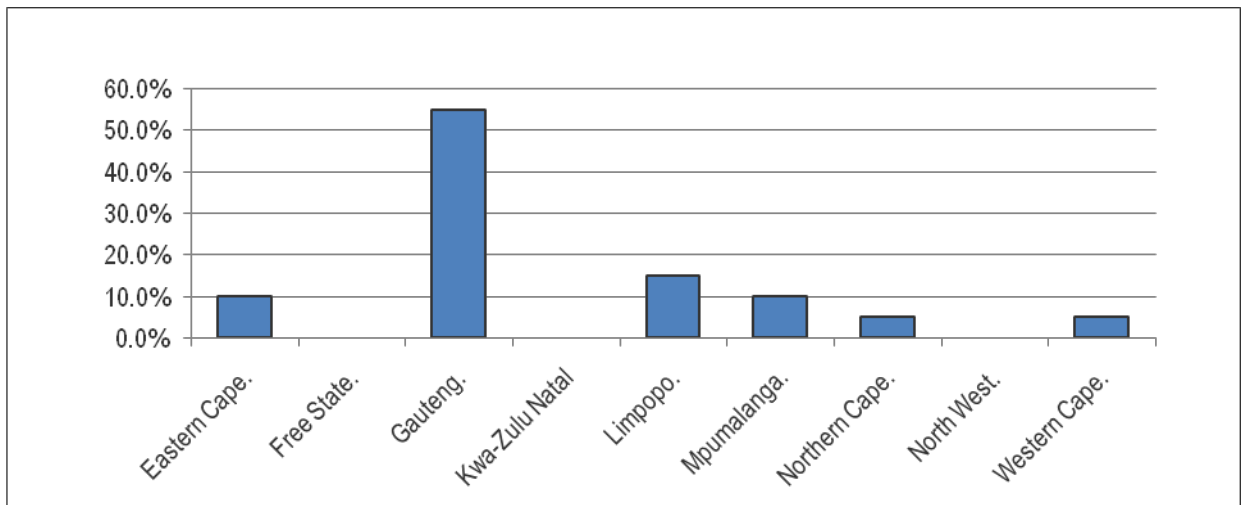


Figure 10: Provinces where money is frequently sent for online survey



Source: Author's research

The graph – see Figure 9, shows that the largest proportion of participants who remit frequently to Gauteng - 25%, followed by the Eastern Cape -13%, and then Kwa-Zulu Natal and Mpumalanga both at 12%. Gauteng, Western Cape and Kwa-Zulu Natal are the main economic centers in South Africa. Considering that the field survey was completed in Gauteng, it was expected that remittance would flow out of Gauteng to provinces thought to be less economically active as literature suggests (Catrinescu, Leon-Ledesma, Piracha & Quillin, 2009). The results highlighted an interesting trend with respect to high economic centres, where instead of remittance flowing out, they circulate within the province. This finding refutes the notion that the directional flow of remittance is from high to low economic centre. However, this argument will be discussed further in chapter 6.

Similarly, the online survey results showed that majority of participants remit to Gauteng. It is unexpected for an economic center as Gauteng to have high

remittance inflows than outflows. Considering, that the participants for the online survey could have completed the survey anywhere in the country.

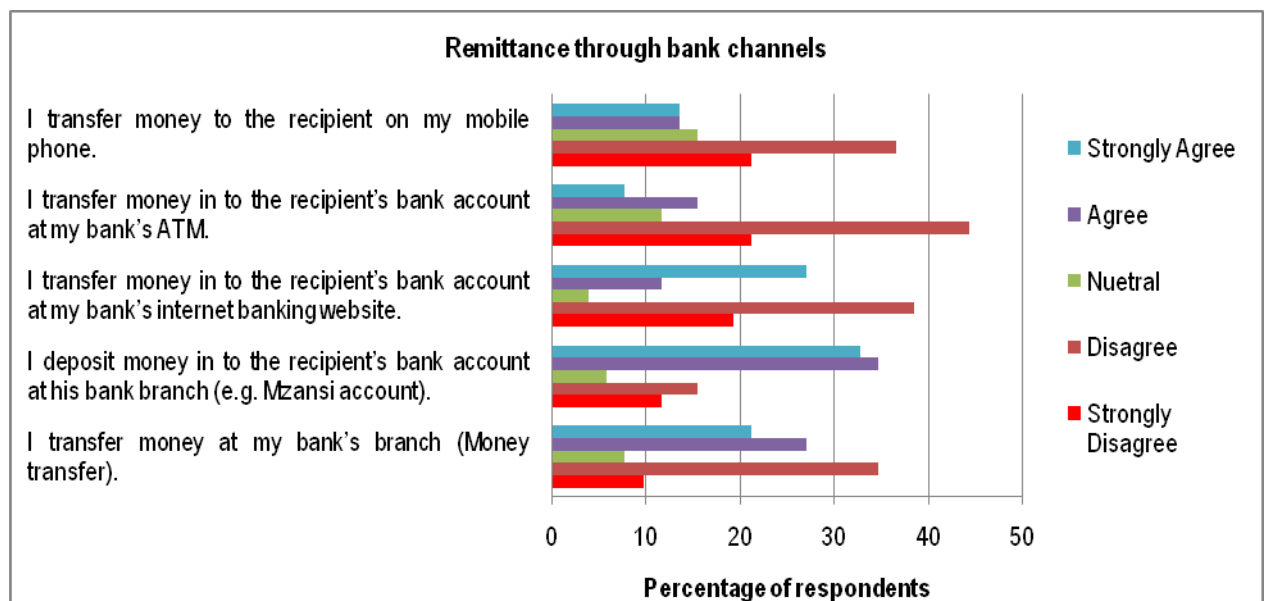
5.6. The channels participants use to remit

The following section will be discussed in two parts in line with the distribution channel classification introduced in chapter 1. The section of the paper will present the results specific to banking and non-banking distribution channels.

5.6.1. Banking channels

The graph below illustrates the results of the participants ratings of to the bank channels used to remit.

Figure 11: Bank channels where participants remit



Source: Author's research

The graph (see Figure 11) shows that overall participants, from the field survey prefer to deposit in to the recipients bank account when sending money. Moreover, the majority of the participants selected “I deposit money in the recipient's bank account at his branch (e.g. mzanzi account)”, indicating that

they use the branch regularly to send money. As a result, 35% of the participants selected “agree” and 33% selected “strongly agree”. This result can be attributed to several factors of which leans to towards that consumer associate with a branch.

On the other hand, “I transfer money in to the recipient’s bank account at my bank’s ATM” had the highest number of participants who disagreed to using this channel was at 44%, in comparison to those who disagree - 44% and strongly disagree - 21%. This may be attributed to the fact that a cash deposit made from a different bank is not available immediately.

We used the mean ratings of the participants’ responses to determine which banking channels they prefer to send money. The mean ratings using a five-point Likert scale, with five (5) being “Strongly Agree” and one (1) being “Strongly Disagree”, were calculated from the result for banking channels. The table below presents the findings.

Table 7: Bank channel responses

One-Sample Statistics	t- test against the Mean of scale = 3					
	N	Mean	Std. Deviation	t-value	df	p-value
Question 11 a						
Q11a_1 I transfer money at my bank’s branch (money transfer).	52	3.15	1.363	0.814	51	0.420
Q11a_2 I deposit money in to the recipient’s bank account at his bank branch (e.g. mzansi account).	52	3.62	1.388	3.196	51	0.002
Q11a_3 I transfer money in to the recipient’s bank account at my bank’s	52	2.88	1.542	-0.539	51	0.592

One-Sample Statistics	N	Mean	Std. Deviation	t- test against the Mean of scale = 3		
				t-value	df	p-value
internet banking website.						
Q11a_4 I transfer money in to the recipient's bank account at my bank's ATM.	52	2.44	1.211	-3.320	51	0.002
Q11a_5 I transfer money to the recipient on my cellphone.	52	2.62	1.331	-2.084	51	0.042

Source: Author's research

The results (see Table 7) show that the statement; “I deposit money in to the recipient’s bank account at his bank branch (e.g. Mzansi account)” had a significantly higher mean than that of the scale. Since the p-value for the t-test is less than 0.05, and the mean is higher than three. This means that the participants agree to use the bank channel to remit.

The items “I transfer money at my bank’s branch (Money transfer)”, and “I transfer money in to the recipient’s bank account at my bank’s internet banking website” are not significantly different from the mean of the scale since the p-values of the t-tests are greater than 0.05. This means that the participants neither agree or disagree to remit through these two bank channels.

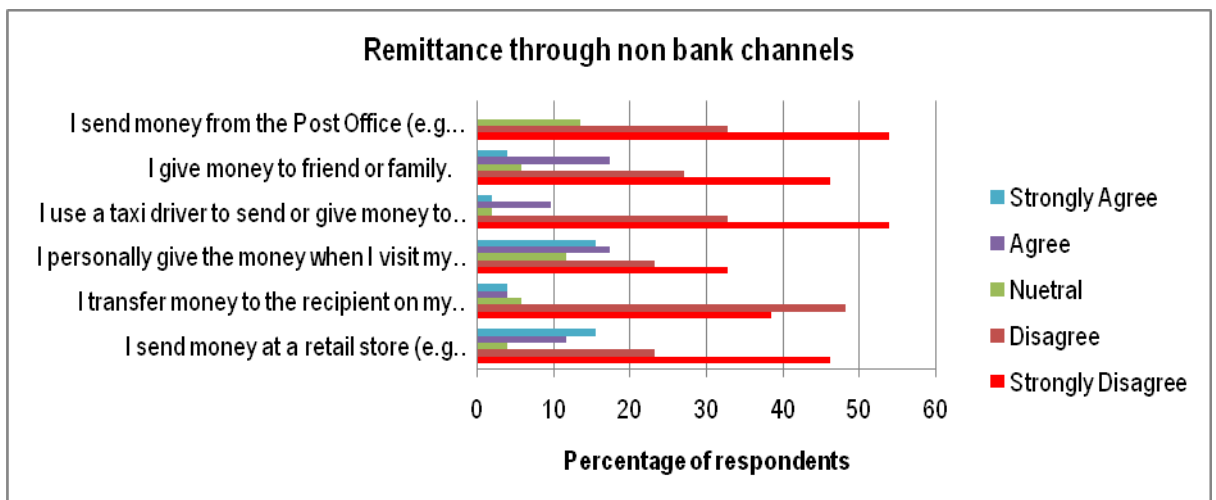
On the other hand, participants totally disagree with the following items, “I transfer money in to the recipient’s bank account at my bank’s ATM”, and “I transfer money to the recipient on my cellphone” since the p-values of the t-tests are less than 0.05 and the mean values are less than the mean of the scale. For most banks, when you want to make funds deposited available immediately; you have to visit their respective bank as mentioned above.

Therefore, we can see from the field survey that the participants still prefer to use the traditional channels to send money. This finding has serious implications for service providers, banks and non-banks.

5.6.2. Non-banking channels

The graph below illustrates the results of the participant’s ratings of to the bank channels used to remit.

Figure 12: Non-bank channels used to remit



Source: Author’s research

The results presented in the table above shows the summary of how the participants rated the questions, when asked whether they use the non-banking channels. The t-test values tested the hypothesis that the mean ratings of the respondents are equal to the mean of the scale.

The graph (Figure 12) shows that the large proportion of participants, >50%, either disagree or strongly disagree with using any of the non-banking channels. Based on the findings, the majority of the participants are more inclined to send money themselves or use retail service provider.

Table 8: t-test for non-banking channel usage

One-Sample Statistics	N	Mean	Std. Deviation	t- test against the Mean of scale = 3		
				t-value	df	p-value
Question 11 b						
Q11b_1 I send money at a retail store (e.g. Shoprite, Spar) to the recipient.	52	2.27	1.523	-3.461	51	0.001
Q11b_2 I transfer money to the recipient on my mobile phone (e.g. Mpesa, MTN Banking).	52	1.87	0.971	-8.429	51	0.000
Q11b_3 I personally give the money when I visit my family.	52	2.60	1.485	-1.961	51	0.055
Q11b_4 I use a taxi driver to send or give money to family.	52	1.73	1.031	-8.876	51	0.000
Q11b_5 I give money to friend or family.	52	2.06	1.259	-5.398	51	0.000
Q11b_6 I send money from the Post Office (e.g. Money transfer).	52	1.60	0.721	-14.039	51	0.000

Source: Author's research

The results (Table 8) show that the statements for the item “I personally give the money when I visit my family” is not significantly different from the mean of the scale since the p-value of the t-test is greater than 0.05. This means that participants neither agree nor disagree with the statement.

Meanwhile the participants disagree with the fact that they use the rest of the non-bank channels, since the p-values of the t-tests are significantly less than 0.05 and the mean values are less than the mean of the scale (3). Thus, participants disagreed to using non-banking channels for remitting.

5.7. Factors that influence the usage of a banking channel to remit

The questions from 11 through to 18 were group together to form five constructs and/or factors that assist in what influences consumers' choice in using different banking channels to send money. The constructs are "Innovativeness", "Social Influence", "Perceived Usefulness", "Perceived Risks", and "Easy to use". Reliability test were conducted on the group of questions that made up the factors or constructs. Cronbach's alpha was done for each construct to validate that the factor is reliable. A Cronbach's alpha is test used to measure the reliability of items in the social science context (Calrson & Thorne, 1997). The analysis below shows how these factors are grouped together.

5.7.1. Factor analysis for innovativeness

A Cronbach's alpha test was done for the innovativeness items. Cronbach's alpha is the most common measure of internal consistency to check the reliability of an ordinal scale. It is most commonly used when you have multiple Likert questions in a questionnaire that form a scale and you wish to determine if the scale is reliable. The Cronbach's Alpha for innovativeness is shown below;

Table 9: Reliability test for innovativeness

Cronbach's Alpha	Number of Items
0.837	4

Source: Author's research

The Cronbach's Alpha for innovativeness was 0.837. It shows a high level of internal consistency. It appears that the innovativeness factor is reliable as the Cronbach's Alpha is above 0.6. This means that the questions or items can be

grouped together to form a summated scale for innovativeness. In addition, to compute the Cronbach’s Alpha coefficient of reliability for innovativeness, factor analysis was also carried out to investigate the dimensionality of innovativeness. The results of this shown in the Factor Analysis tables below.

5.7.2. Factor Analysis

Table 10: Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.716	67.903	67.903	2.716	67.903	67.903
2	.765	19.119	87.022			
3	.288	7.206	94.229			
4	.231	5.771	100.000			

Extraction Method: Principal Component Analysis.

Source: Author’s research

Table 11: Component or Question Matrix

		Factor 1	Communalities
1	I know more than others on the latest new products	0.681	0.464
2	I like to try new and different things	0.822	0.675
3	I tend to try new technologies before any of my peers	0.900	0.810
4	I try new products without worrying about what friends and neighbours think of the product	0.876	0.768

Source: Author’s research

The factor analysis of innovativeness retained one factor implying that the construct is unidimensional. The retained factor explains 68% of the variability in

innovativeness. The communalities reflect the common variance in the data structure. Thus, we can say 76.8% of the variance associated with “I try new products without worrying about what friends and neighbours think of the product” is common or shared variance. In other words, it is the amount of variance in each variable that can be explained by the retained factors. The values under the column factor 1, indicates the correlation between the construct and the specific item, also known as factor loading. All the factor-loading values are higher than 68% reflecting a high correlation between the construct and the variables. Therefore, the items can be grouped together to form a single factor called innovativeness by virtue that are correlated.

5.7.3. Social influence

Cronbach’s Alpha for Social Influence was also calculated and the results are shown below;

Table 12: Reliability test for Social Influence

Cronbach's Alpha	Number of Items
0.723	3

Source: Author’s research

Three attributes or items that were supposed to be part of social influence factor namely; “People who send money on this channel have more prestige”, “Someone in my social circle who is not related to me and that I respect sends money in this channel”, and “My friends think I should use this channel to send money” were excluded from the social influence factor as they were not

internally consistent with the other items (the Cronbach's alpha improved significantly after they were removed).

The Cronbach's Alpha for social influence after removing the above-mentioned items was 0.723, which showed a high level of internal consistence. This means the items that a left can be grouped together to form a summated scale for Social Influence (Figure 13).

In addition to computing the Cronbach's Alpha coefficient of reliability, Factor Analysis was carried out to investigate the dimensionality of social influence.

The results are shown below;

Table 13: Total Variance Explained for Social influence

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.947	64.892	64.892	1.947	64.892	64.892
2	.619	20.626	85.518			
3	.434	14.482	100.000			

Extraction Method: Principal Component Analysis.

Source: Author's research

Table 14: Component matrix for Social influence

		Factor 1	Communalities
1	People who are important to me think I should continue to send money through this channel.	0.848	0.719
2	My family approves using this channel to send money.	0.810	0.656

3	People who are important to me think sending money in the channel is a good idea.	0.756	0.572
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Source: Author's research

The Factor Analysis of Social Influence retained one factor implying that the construct is unidimensional. The retained factor explains 65% of the variability in the construct. The communalities reflect the common variance in the data structure. Thus, we can say 72% of the variance associated with “People who are important to me think I should continue to send money through this channel” can be explained by the retained factor. All the variables have high factor loadings as desired.

5.7.4. Perceived Usefulness

Cronbach's Alpha for Perceived Usefulness was calculated and the results are shown below;

Table 15: Reliability test for Perceived Usefulness

Cronbach's Alpha	Number of Items
0.582	3

Source: Author's research

One attribute that was supposed to be part of Perceived Usefulness factor namely; “I do not pay to send money”, was excluded from the construct because it was not internally consistent with the other attributes (the cronbach's alpha improved significantly after their removal). The Cronbach's Alpha for Perceived Usefulness after removing the attributes was 0.582, which shows a low but acceptable level of internal consistence. This means the variables can

be grouped together to form a summated scale for Perceived Usefulness. In addition to computing the Cronbach's Alpha coefficient of reliability, Factor analysis was carried out to investigate the dimensionality of perceived usefulness. The results are shown below;

Table 16: Total Variance Explained for Perceived Usefulness

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.643	54.751	54.751	1.643	54.751	54.751
2	.731	24.354	79.105			
3	.627	20.895	100.000			

Extraction Method: Principal Component Analysis.

Source: Author's research

Table 17: Component matrix for Perceived Usefulness

		Factor 1	Communalities
1	It is convenient or close for me.	0.724	0.525
2	The fees to send money are affordable.	0.717	0.514
3	The money reaches my family immediately or less than a day.	0.777	0.603

Source: Author's research

The factor analysis of perceived usefulness retained one factor implying that the construct is unidimensional. The retained factor explains 55% of the variability in perceived usefulness. The lowest communality was 52.5%. All the factor-loading values are higher than 71% reflecting a high correlation between the construct and the variables.

5.7.5. Perceived risk

Cronbach's Alpha for Perceived Risk was calculated and the results are show below:

Table 18: Reliability test for Perceived Risk

Cronbach's Alpha	Number of Items
0.377	2

Source: Author's research

The Cronbach's Alpha for perceived risk is 0.377, which is less than 0.5 and thus unacceptable. This means that the perceived risk variables cannot be grouped together.

Table 19: Component matrix for Perceived Risk

	Construct	Item
1	Perceived Risk	The money is protected and secure.

Source: Author's research

Table 20: Summary of Cronbach's Alpha for bank channels

Construct	Item	Removed due to low Cronbach's Alpha	Retained items	Cronbach's Alpha
Innovativeness	I know more than others on the latest new products.		√	0.837
	I like to try new and different things.		√	
	I tend to try new technologies before any of my peers.		√	
	I try new products without worrying about what friends and neighbours think of the product.		√	
Social Influence	People who send money on this channel have more prestige.	√		0.723
	People who are important to me think I should continue to send money through this channel.		√	
	Someone in my social circle who is not related to me and that i respect sends money in this channel.	√		
	My family approve using this channel to send money.		√	
	My friends think i should use this channel to send money.	√		
	People who are important to me think sending in the channel is a good idea.		√	
Perceived Usefulness	It is convenient or close for me.		√	0.582
	The fees to send money are affordable.		√	
	I do not pay to send money.	√		

Construct	Item	Removed due to low Cronbach's Alpha	Retained items	Cronbach's Alpha
	The money reaches my family immediately or less than a day.		√	

Source: Author's research

The following constructs had one item each and thus were used as individual items representing the constructs.

Table 21: Perceived Risk and Ease of Use

	Construct	Item
1	Perceived Risk	The money is protected and secure.
2	Easy to Use	It is easy to use.

Source: Author's research

5.8. Regression analysis of the intention to remit through a banking channel

A regression model was fitted to find out if there is a relationship between the intention to remit using the bank channel (dependent variable) and the various factors (independent variables). The independent variables were made up of the summated scale for the variables “Innovativeness”, “Social Influence”, “and Perceived Usefulness”. Then questions 1 and 4 were also used as independent variables representing “Easy to Use”, and “Perceived Risk” respectively. The results are shown below;

Table 22: ANOVA for intention to remit through a bank channel

Model		Sum of Squares	Degrees of Freedom	Mean Square	F	Significance
1	Regression	2.623	1	2.623	4.979	.030(a)
	Residual	24.764	47	.527		
	Total	27.388	48			

Source: Author's research

Predictors: (Constant), Innovativeness

Dependent Variable: Overall I intent to remit through a bank channel.

Table 23: Coefficients for intention model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.582	.482		7.427	.000
	Innovativeness	.288	.129	.309	2.231	.030

Source: Author's research

Dependent Variable: Overall I intent to remit through a bank channel.

The results showed that only innovativeness is a significant contributor to one's intention to remit using a bank channel or not. The model is given by Intention to remit using a bank channel = 3.582 + 0.288 (Innovativeness). The other factors do not influence one's intention to remit via a bank channel. Innovativeness has a positive coefficient, which means that the higher one rates their innovativeness, the higher the more likely hood to remit using the bank channel.

5.9. Factor influencing the use of non-banking channels to remit

Likewise, in the analysis of the reasons for using the bank channel, five constructs of reasons as to why people would use different non-bank channels to remit were explored. The constructs were 'Innovativeness', "Social Influence", "Perceived Usefulness", "Perceived Risks", and "Easy to use". The analysis below shows how the attributes are grouped together.

5.9.1. Innovativeness

The construct Innovativeness is common on both bank and non-bank channels and thus the results for both the Cronbach’s Alpha test and factor analysis are the same as those for the bank channels.

5.9.2. Social Influence

Cronbach’s Alpha for Social Influence was calculated and the results are show below;

Table 24: Reliability Statistics

Cronbach's Alpha	Number of Items
.887	5

Source: Author’s research

One attribute that was supposed to be part of Social Influence namely; “My friends think I should use this channel to send money” was excluded from the Social Influence construct because it was not internally consistent with the other attributes (the Cronbach’s alpha improved significantly after their removal).

The Cronbach’s Alpha for social influence after removing the above-mentioned attribute is 0.887, which shows a very high level of internal consistence. This means that the 5 variables can be grouped together to form a summated scale for Social Influence.

In addition to computing the Cronbach’s Alpha coefficient of reliability, factor analysis was carried out to investigate the dimensionality of Social Influence as

a factor for influencing consumer decision in choosing a channel to send money. The results are shown below;

Table 25: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.461	69.214	69.214	3.461	69.214	69.214
2	.623	12.453	81.667			
3	.535	10.701	92.368			
4	.273	5.458	97.826			
5	.109	2.174	100.000			

Extraction Method: Principal Component Analysis.

Source: Author's research

Table 26: Component Matrix

		Factor 1	Communalities
1	People who send money on this channel have more prestige.	0.791	0.626
2	People who are important to me think I should continue to send money through this channel.	0.919	0.845
3	Someone in my social circle who is not related to me and that I respect sends money in this channel.	0.771	0.595
4	My family approve of me using this channel to send money.	0.843	0.710
5	People who are important to me think sending money in the channel is a good idea.	0.827	0.684

Source: Author's research

Extraction Method: Principal Component Analysis. One component extracted.

The factor analysis for the Social Influence variable for non-bank channels retained one factor, implying that the construct is not unidimensional. The retained factor explains 69% of the variability in Social Influence variable. The lowest communality was 59.5%. All the factor-loading values are higher than 77% reflecting a high correlation between the construct and the variables.

5.9.3. Perceived Usefulness

Cronbach's Alpha for Perceived Usefulness was calculated and the results are show below;

Table 27: Reliability Statistics for Perceived Usefulness

Cronbach's Alpha	Number of Items
.703	3

Source: Author's research

One attribute that was supposed to be part of Perceived usefulness namely; "I do not pay to send money", was excluded from the construct because it was not internally consistent with the other attributes (the cronbach's alpha improved significantly after their removal). The Cronbach's Alpha for Perceived Usefulness after removing the above-mentioned attributes is 0.703, which shows an acceptable level of internal consistence. This means the variables can be grouped together to form a summated scale for perceived usefulness.

In addition to computing the Cronbach's Alpha coefficient of reliability, factor analysis was carried out to investigate the dimensionality of perceived usefulness. The results are shown below;

Table 28: Total Variance Explained for Perceived Usefulness

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.891	63.038	63.038	1.891	63.038	63.038
2	.645	21.497	84.535			
3	.464	15.465	100.000			

Source: Author's research

Extraction Method: Principal Component Analysis.

Table 29: Component Matrix for Perceived Usefulness

		Factor 1	Communalities
1	It is convenient or close for me.	0.759	0.576
2	The fees to send money are affordable.	0.778	0.606
3	The money reaches my family immediately or less than a day.	0.842	0.709

Source: Author's research

The factor analysis of Perceived Usefulness retained one factor implying that the construct is unidimensional. The retained factor explains 63% of the variability in Perceived Usefulness. The lowest communality was 52.5%. All the factor-loading values are higher than 71% reflecting a high correlation between the construct and the variables.

5.9.4. Perceived Risk

Cronbach's Alpha for Perceived risk was calculated and the results are show below;

Table 30: Reliability test for Perceived Risk

Cronbach's Alpha	Number of Items
0.747	2

Source: Author's research

The Cronbach's Alpha for perceived risk is 0.747, which shows a very high level of internal consistency. This means that the perceived risk variables can be grouped together. In addition to computing the Cronbach's Alpha coefficient of reliability, factor analysis was carried out to investigate the dimensionality of the construct. The results are shown below;

Table 31: Total Variance Explained Perceived Risk

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.601	80.049	80.049	1.601	80.049	80.049
2	.399	19.951	100.000			

Source: Author's research

Extraction Method: Principal Component Analysis.

Table 32: Component Matrix Perceived Risk

		Factor 1	Communalities
1	The money is protected and secure.	0.895	0.800
2	I feel comfortable using this channels and it is important for me.	0.895	0.800

Source: Author's research

The factor analysis of Perceived Risk confirmed that the construct is unidimensional by retaining one factor. The retained factor explains 80% of the variability in Perceived Risk. Both the communalities and the factor loading values are very high.

Table 33: Summary of Cronbach's Alpha for non-bank Channels

Construct	Item	Removed due to low Cronbach's Alpha	Retained items	Cronbach's Alpha
Innovativeness	I know more than others on the latest new products.		√	0.837
	I like to try new and different things.		√	
	I tend to try new technologies before any of my peers.		√	
	I try new products without worrying about what friends and neighbours think of the product.		√	
Social Influence	People who send money on this channel have more prestige.		√	0.887
	People who are important to me think I should continue to send money through this channel.		√	
	Someone in my social circle who is not related to me and that i respect sends money in this channel.		√	
	My family approve using this channel to send money.		√	
	My friends think i should use this channel to send money.	√		
	People who are important to me think sending in the channel is a good idea.		√	
Perceived Usefulness	It is convenient or close for me.		√	0.703
	The fees to send money are affordable.		√	
	I do not pay to send money.	√		
	The money reaches my family immediately or less than a day.		√	

Construct	Item	Removed due to low Cronbach's Alpha	Retained items	Cronbach's Alpha
Perceived Risk	The money is protected and secure		√	0.747
	I feel comfortable using this channels and it is important for me.		√	

Source: Author's research

The following construct had one item each and thus will be used as an individual item representing the construct.

Table 34: Ease of Use

Construct	Item
Easy to Use	It is easy to use.

Source: Author's research

5.10. Regression analysis of the intention to remit through non-banking channels with the factors

A regression model was fitted to find out if there is a relationship between the intention to remit using the non-banking channel (dependent variable) and the various factors (independent variables). The independent variables were made up of the summated scale for the variables “Innovativeness”, “Social Influence”, “Perceived Usefulness” and “Perceived Risk”. Then questions one was also used as independent variable representing “Easy to Use”. The results are shown below;

Table 35: ANOVA for Non-bank Channels

Model		Sum of Squares	df	Mean Square	F	Significance
1	Regression	14.062	1	14.062	11.008	.003(a)
	Residual	31.938	25	1.278		
	Total	46.000	26			

Source: Author's research

Predictors: (Constant), Perceived Usefulness non-bank

Dependent Variable: Overall I intent to remit through a non-bank channel.

Table 36: Coefficients

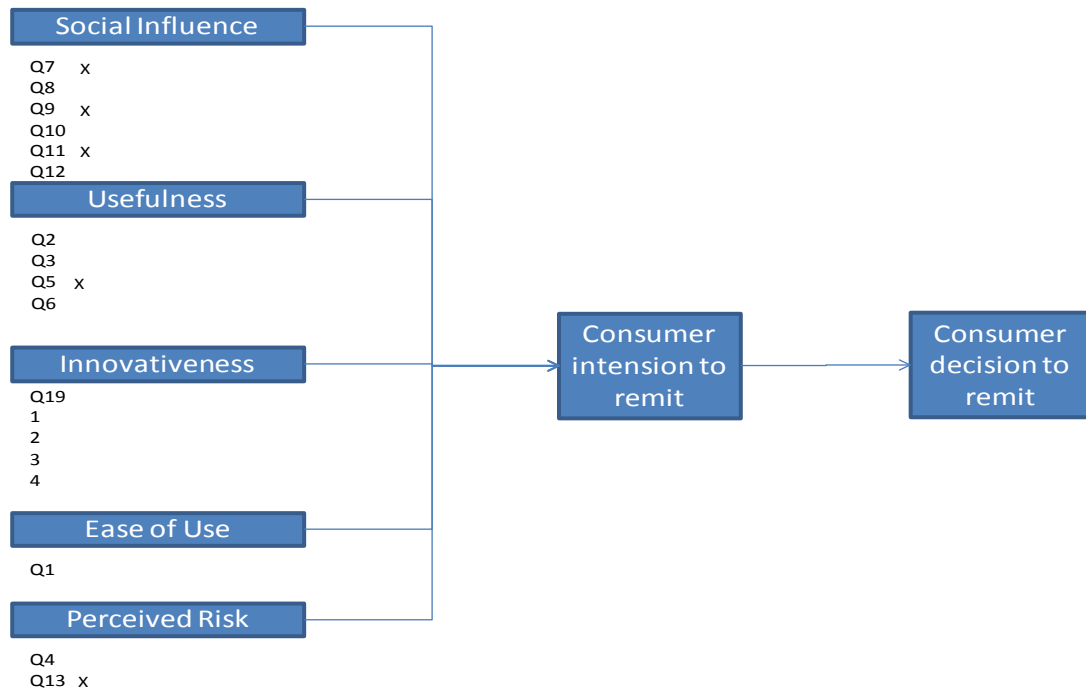
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	-.023	.937		-.024	.981
	Perceived Usefulness non-bank	.827	.249	.553	3.318	.003

Source: Author's research

Dependent Variable: Overall I intent to remit through a non-bank channel.

The results show that Perceived Usefulness is the only significant contributor to one's intention to remit using a non-bank channel or not. The model is given by intention to remit using a non-bank channel = $-0.023 + 0.827$ (Perceived Usefulness of the non-bank channel). The other factors do not influence one's intention to remit via a non-bank channel. Perceived Usefulness has a positive coefficient, which means that the higher the rating of Perceived Usefulness of the channel, the more likely they are to remit using the non-bank channel.

Figure 13: The factors and item grouping



Source: Author's research

The diagram above shows the items that formed part of the factors that influence intention to remit. Based on the flow of the model, each factors has a direct influence on the intention to remit, which has a direct influence on the consumer decision to remit. The items with crosses next to them were removed from the group after analysis indicated that they were not consistent with the other items.

Chapter 6: Discussion of the results

The following research looked to establish what factors influence consumers decision in selecting a bank/non-bank channel to send money. The study was able to identify five key influencers to consumer decisions in choosing a channel to send money. After the indepth analysis of the results, it is clear that one factor has a significant influence–decision-making process for in choosing a channel to send money for both banking and non-banking channels.

The proportion of participants who disagreed/strongly disagreed to using non-banking channels to send money was above 50%. Based on the results in Figure 8, majority of the participants generally disagree to using a non-bank channels to send money, however said they would rather this type of themselves and a retail stores, where the transfer of money is more controlled by the individual.

In contrast >65% of the participants indicated that they prefer using bank channels for sending money to family members who live in a different domiciles or locations. Whereas >60% of the participants indicated that they prefer the bank branch . This however is contradictory to the findings from previous literature, which demonstrates that mobile banking transactions offered by non-banks are increasing in developing countries (Brown, Cajee, Davies, & Stroebel, 2003). Consequently, banks and non-banks need to improve strategies that will act as catalysts in encouraging consumers to use newer channels to remit.

It is abundantly clear that consumers habitually favour/choose the physical channel environment to perform their banking activities. For this reason, it is

important to understand the factors that could essentially inhibit the consumers in using physical channels. This confirms that participants are more comfortable with the controlling the exchange of money by dealing with a natural person, as it provides a certainty that the money will be sent or given. The section to follow deals with the factors that can potentially help banks and non-banks understand consumer perceptions of what influences his or her decision in choosing a channel to send money.

6.1. Social Influence

The first factor or variable that to be discussed and analysed is Social Influence. Social influence looks at factors that pertain to the social context that may influences a consumer's decision making process and ultimately their behaviour, in relation to the usage of various channels. Roger (1995), argues that, information about the existence of an innovation flows through social systems to the potential adopters (Innovators, Early Adopters, Early Majority, Late Majority, Laggards), by word-of-mouth or marketing activities, simply said, channels like social media and word-of-mouth marketing, act as catalysts for the adoption of innovations. The information is then processed by the adopters who form a perception, about the characteristics and perceptions in relation to certain contextual factors. This serves a determinant of the innovation adoption behaviour or usage. A good example of this, is the launch of the recent iPad, by Apple. Innovators in this instance, were able to identify consumer needs via a technological channel. The innovations made by Apple were, that captured every market is the case in point. This is what innovators would be consider as a determinant in innovation adoption and or usage.

However this section of the paper is structured around the five factors that were identified as factor influencers. As opposed to discussing the hypothesis stated in the chapters 3.

Furthermore, the desire to gain social status is most important in the motivation for adopting an innovation (Rogers, 1983). In order to ascertain whether social influence has an impact on social status and the consumer decision in choosing a channel to remit, participants were asked to rate the reasons why they would choose a bank or non-bank channel? The factor-survey initially comprised of six statements which were then reduced to three. The variables that relate to Social Influence were namely: (1) People who send money using this channel are more prestigious; (2) Someone in my social circle who is not related to me and that I respect sends money in this channel; and My friends think I should use this channel to send money was excluded from the Social Influence construct because they were not internally consistent with the other statements (the Cronbach's alpha improved significantly after their removal).

The factor was reduced to three statements from question 13 for bank channel, which were tested for loading to establish if the statements can form one factor. The results of the study showed that indeed the statements can be grouped into one factor, Social Influence. This factor was then used as a component of the linear regression model for intention to remit through a bank or non bank channel.

The resultant model for bank channels shows that social influence or subjective norms have little impact on the consumer's decision in choosing a channel to send money. This finding reaffirms the findings by Armitage and Conner (2001)

that subjective norms have little influence on consumer's intention. This further demonstrates that that consumer's behaviour is unaffected by social pressure. What needs to be highlighted though is that, the results go against the theory of innovation diffusion which suggests that, innovators have greater influence on potential adoptors of innovation. On the other hand, Pookulangara, Hawley, & Xiao, (2011) argues that subjective norms positively influenced channel migration intentions. Using online shopping as an example, it was found that individuals tend to fit in with perceived opinions of other to the nature of shopping via channel migration. These findings are important because the individual will inevitably conform to social pressure, that will lead to adopting certain innovations, their intention to send money via a bank or non-bank channel is not influenced by social pressure. There are other factors such the situation that play a role in influencing consumer to remit money in a channel. For example, some respondents confirmed that in an emergency situation they would give money to a taxi driver because it was convenient.

6.2. Perceived risk

The second factor or variable to be discussed is Perceived Risk. This factor looks at the level of risk a consumer associates with performing an action when interacting with bank or non-bank channel (Davis, 1986). The findings from the survey suggest that the Perceived Risk has insignificant influence on consumer's intention to remit money in a bank channel. The results of Perceived Risk, comprises of the statement; "The money is protected and secured" indicated that majority of participants (70%) either Agree or Strongly Agree, that their money is protected in a bank channel. The participants have rated the bank channel positively in terms of level of risk associated compared to the non-

banking channel. About 44% of participants rated non-banking channels positively; and 33% of participants indicated that they are neutral when the matter of security in non-banking channels is raised. This results reaffirms the findings from other researchers that Perceived Risk has influence on intention to use a channel.

According to Mallat (2007), Perceived Risk factor had an influence on the use of mobile banking facilities as a method of payments. The participants in that research raised valid concerns associated with; mobile payments, unauthorized use, lack of transaction record and documentation, Errors in payment transactions, Vagueness of the transaction and perceived lack of control, Device and mobile network reliability, Compromising privacy which determines the adoption of the channel for payment purposes. The findings indicated that trust with mobile payment service providers and merchants, reduced the perceived risks of mobile payments. Nevertheless, the Perceived Risk factor for this study comprised of one statement that did not cover items listed above. The results of the study showed that perceived risk does not influence the intention to send money with banking and non-banking channels overall. However, if one studies the responses between the two channels, there is a significant difference in the way participants view the either channels. What is noteworthy in this regard, is that one can better understand what the influences associated to remittance trends are, by focusing on banking and non-banking channel facilities specifically.

6.3. Attitude or innovativeness

Research that seeks to understand the innovation adoption Attitude is said to influence the propensity to adopt innovations. This study therefore included Attitude as a factor that influences consumers' decision in choosing a channel to remit money. The factor comprised of four statements from question 19. The statement responses were tested to see if they were internal-consistencies, and if they could be grouped together to form a single factor. The outcome showed that the items could be grouped together, and that by including the regression equation for testing influence, with the intention to send money through banking or non-banking channel. The statements explain 65% of the variance of the factor, thus attitude has always been recognized to predict intention (Bidoli, 2004). Akinci, Aksoy & Atilgan (2004), argue that attitudes and motives are among the most important factors that influence consumers' buying behaviour. In the same way I can say that, the attitudes towards the banking and non-banking channels have an influence over the consumers' decision in choosing a channel to remit. The results of this study show that the majority of participants rated themselves as being innovative. What this implies is that customers' who intend to remit through a banking channel would be impacted by this self-insight. In contrast; attitudes did not have an influence on the non-banking channel. This is very interesting in that the non-banking channels are innovative solutions of the recent years. This means that respondents' view of being innovative has context.

6.4. Perceived usefulness

The results the study shows that perceived usefulness has little or no influence on the decision-making process or intention of by the consumers in choosing a channel to send money through. Briefly, the term usefulness for the purpose of this paper refers to, the convenience, affordability and speed dimensions. A significant number of participants (65%) either agreed or strongly agreed with the three statements that were used to form the Perceived Usefulness factor. Leading to which, the result showed that this factor has a significant influence on the consumers' decision for choosing a non-bank channel to send money from. This means that consumers are more likely to use a non-banking channel if they perceive the channel to be useful of that channel is perceived as useful. Usefulness in this study refers to convenience, affordability and speed dimension.

However, June, Chun-Sheng, Chang, and James, (2003), in their model of technology acceptance they argued that perceived usefulness has a direct influence on the intention to use and or indirect influences on the intention through attitude. The factors in their study were divided into two parts in their Technology Acceptance Model: (1) Perceived near-term usefulness; and (2) Perceived long-term usefulness. This study did not divide the factor into the proposed consequences as suggested by Davis (1989). The factor of this study comprised of four variables or statements which were later reduced to three.

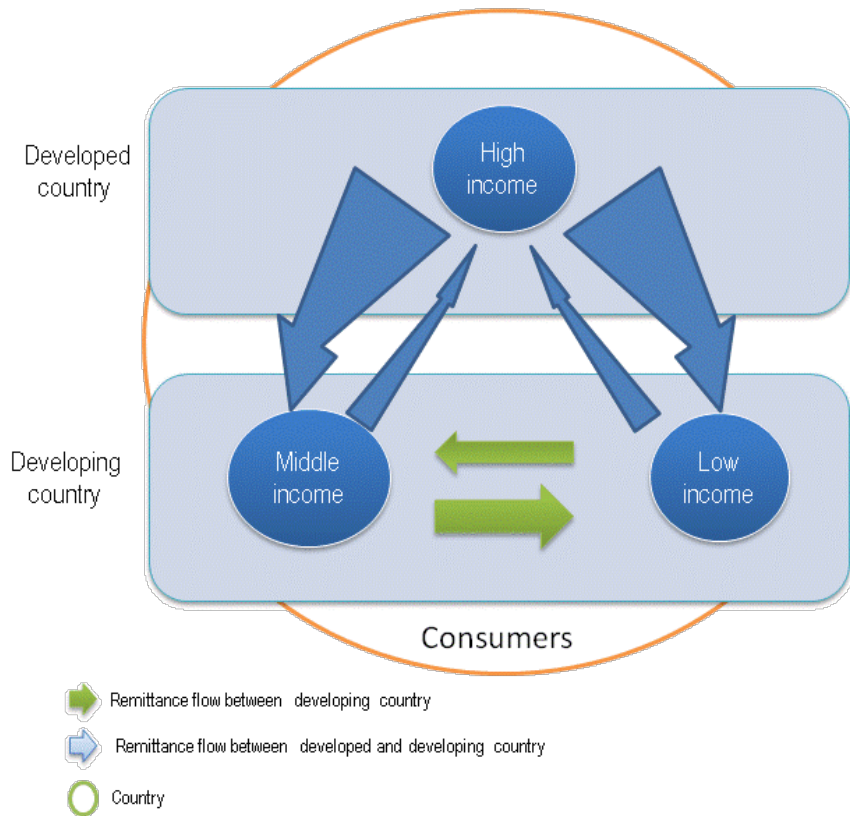
6.5. Perceived ease of use

An overwhelming majority (90%) of participants indicated that they intend to use a bank channel in future to send money. On the other hand, 44% of the

participants indicated that they disagree or strongly disagree with using a non-bank channel. A smaller percentage (25%) indicated that they are neutral about using non-banking channels to send money. Looking at the responses in detail, the participants did not seem too concerned about the ease of use for either banking or non-banking channels. These findings do not, however, correspond with most of the theory of innovation diffusion which states that the usability of an innovation is what makes its adoption spread. Therefore, if a technology innovation is deemed as complex, consumers are unlikely to adopt it.

Finally, 25 participants omitted to select an answer on the Likert scale statements that relates to ease of use and the remaining respondents who did respond were less than 30. Hence, the results of the study are not conclusive in affirming that perceived ease of use does not have influence over the intention to send money through a bank or non-bank channel.

Figure 14: The remittance flows between countries



Source: Author

Remittance is the flow of financial resources from for payment of goods or altruistic reasons (Ulack, 1986). The literature review of the study revealed interesting trends around remittance flows that have implications for banking and non-banking service providers worth highlighting. Literature on remittance indicated that the flow has been thought to be from developed to developing countries.

However, the evidence from the World Bank indicates that there are flows between developing countries. The author's view is that remittance flows are bi-directional, as depicted in the model above, but the extent of flow varies. The remittances flow between countries regardless of economic status, high income, middle income and low income. Hence, service providers must continue to

focus on providing remittance services in all the countries where there is a need and it makes business sense.

The overriding trend in remittance is that the flows are underpinned by needs of worker's that support their families irrespective of the country of origin. They will continue to need the service in order to continue supporting their families. Therefore, worker or income earners will need channel to remit irrespective of which country they live in.

Remittances flows are in these directions:

1. Developed countries and developing countries;
2. Between developing countries; and
3. within a country.

The results of the study allow for a better understanding of the direction remittance flow. In Gauteng – where the study was conducted the results indicate that indeed remittance flow within economic centres. Participants in this survey were asked to select or indicate the provinces where they money. The results were astonishing as they revealed that remittance flow within region. The study affirms that the flow is mainly from a high income to a low income earner. It is important to note that without any income the workers are unlikely to remit,

Henceforth, service providers must continue to innovative solutions around the channel available to remit. As shown in the study, participants' attitudes towards

new channel are unfavourable. They prefer the well known ones to remit. Hence, the participants are unlikely or change their behaviours and attitude towards new challenges. Service provider should continue, if not already, to drive initiative to create awareness of the surveys

On the one side, the results of the study indicate that two factors were important in predicting behavioural intention to remit through a bank and non-bank channel. This result is surprising as it means that the other factors such as perceived risk and security are less of predictors of behavior. According to Ajzen (1991), predicting behaviour is the joint function of intention and perceived behavioural control (PBC). Although not mentioned in the paper, he emphasizes that for accurate prediction of the behaviour or intention, several conditions have to be met.

The second predictor is a social factor termed subjective norm; it refers to the perceived social pressure to perform or not to perform the behaviour. The study attempted to use these selecting the factor which Ajzen said will predict behaviour. Thus attitude and social influence were selected as factor to predict behaviour of this study. The study also incorporated the individual influences to capture the individual attitudes, important to perform an action.

Chapter 7: Conclusions and Recommendations

7.1. Summary

This study covered a variety of theories including remittance, theory of reasoned action, theory of planned action, consumer behaviour and technology adoption models, to identify factors that influence consumer decision. Overall the objective of the study was achieved. The section below provides key findings, suggestions for future research and management implications as well as recommendations.

Remittance are sent by both high and low-income earners. This implies that remittance flow is from an individual with an income to one with no income. Henceforth, remittance flow is bi-directional, within or between high economic and low economic centers depending on whether income earner lives in a high economic center. The extent of the flows may vary between the economic centers.

The other finding of the study was that participants prefer the physical channels of both the banks and non-banks to remit. This has serious implications for service providers. Banks and non-banks may have to invest in costly physical infrastructure to provide services. This is an indication that emergent channels are yet to be widely adopted. Hence, service providers need initiatives to changes consumer behaviour.

Discussions around the motives of sending money have been on going for years. This study confirmed the conclusion reached by some researchers that the motives for remitting are altruistic. The majority of participants in the field study send amounts below R2,000 a month. This is a small amount to be used

for development purposes such as starting a small business. This amount has significant implications for service providers. It implies that service providers should take cognisance that charging a fee of more than two percent or R40 (estimated based on R2000) for remittance could be expensive for consumers. Hence, the fees for remittance should be low considering that the amounts participants remit a month is also low. This implies that service providers should charge a flat fee as an ad velorum fee structure will be perceived to be expensive.

The 2009 FinScope Survey on banking in Africa highlighted that the access to financial services was 40% of the adult population in South African (FinScope, 2010). There is an opportunity to offer the new channels, especially cellphone and internet banking, to capture the unbanked. Factors such culture, attitudes, normative believes must be considered in the design of the channels. The aim of this research was to identify factors likely to influence consumer's decision in choosing a channel to remit. Five factors that influence consumers decision to remit in both bank and non-bank channel were identified. There are only two factors that predict intention to remit, innovativeness and usefulness, for bank and non-bank channel respectively. The consumer's innovativeness was a significant predictor of intention to remit for a bank channel. This means a participant's attitude has a great influence on the channel he or she chooses to remit. While perceived usefulness is a significant predictor of a participants intention or decision to remit through a non-bank channel. This implies that participants are likely to use a non-bank if it is perceived to be useful. The remaining factors for bank channel had no influence for intention.

7.2. Suggestions for future research

Further research is needed to determine the influence of a recipient in the decision of choosing a channel to remit. It will benefit service providers to know the extent of this influence. This study attempted to obtain data of the extent of the recipient's influence from the sender's perspective. The data provided in the study was not conclusive as evidence of the recipient's influence. Further research is needed into stickiness factors of physical channels compared to the electronic channels. The suggestion for future studies on technology acceptance models or adoption requires representation especially from both low income and higher income earners. Research should use two approaches to collect data particularly online and field survey. This should mitigate inherent bias of for both field and online surveys if done properly.

On the other hand, research questionnaire for online survey should be send large sample to ensure a better response. The questionnaire for both field and online should be short and simple as possible. The response rate for online survey is very low. The suggestion is to send reminders to encourage participation on a weekly basis.

7.3. Management implications

Conclusion, online and the field survey revealed some differences in behaviour of participants to theory and literature on remittance. This was unexpected, theory suggests that money flows from an area of high economic activity to a low economic activity. For the field study, the research was conducted in Gauteng at the following locations, Cedar Square, Diepsloot, Randburg and Rosebank shopping centres. The majority of participants indicated that they

sent money within Gauteng. The results are unexpected for this study. This implies that participants in the study send in Gauteng. The expectation was for remittance flow to be to low economic active provinces such as the Eastern Cape and Limpopo province.

The study showed consumer adoption rate of new channels in Gauteng is slow amongst participants. They continue to prefer the traditional distribution channels of bricks and mortar for both bank and non-bank. To deliver better service management need to continuously communicate the benefits of new channels distribution channels to the consumer. Organisation will need to focus on the both marketing, infrastructure and delivery system perspective as proposed in Rogers (1995) and Sahal (1981). However, the marketing strategies need to be adjusted to encourage wider adoption.

7.4. Suggestions for MBA research students

This section of the research does not relate to the objectives of the study. It is my contribution for future MBA research students. Firstly, the research project is a time consuming part of the MBA. It requires great amount of attention to detail. However, it provides the student the opportunity to create new knowledge for future generations. The following are some advice for students.

Avoid devoting too much time on the questionnaire design, if you are going to conduct a survey. Rather build a rough questionnaire and pilot test it as soon as possible. The pilot will give you a lot of insights to create a much better questionnaire.

Always keep in constant contact with your supervisor provide him or her with regular feedback on your progress. The supervisor is most valueable source for guidance throught out this process.

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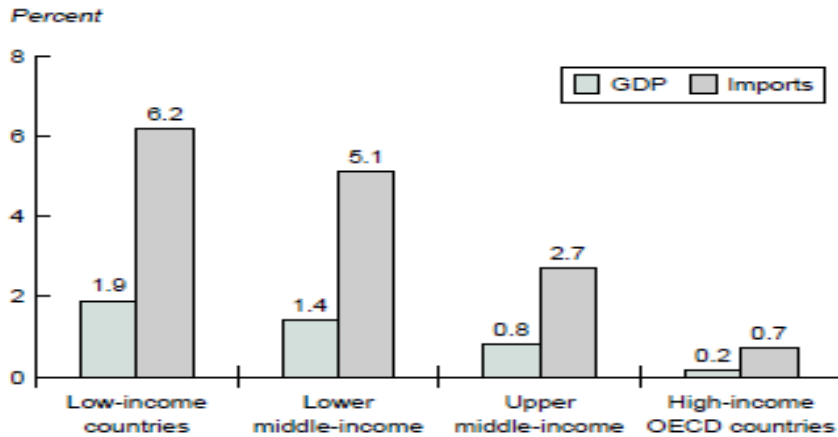
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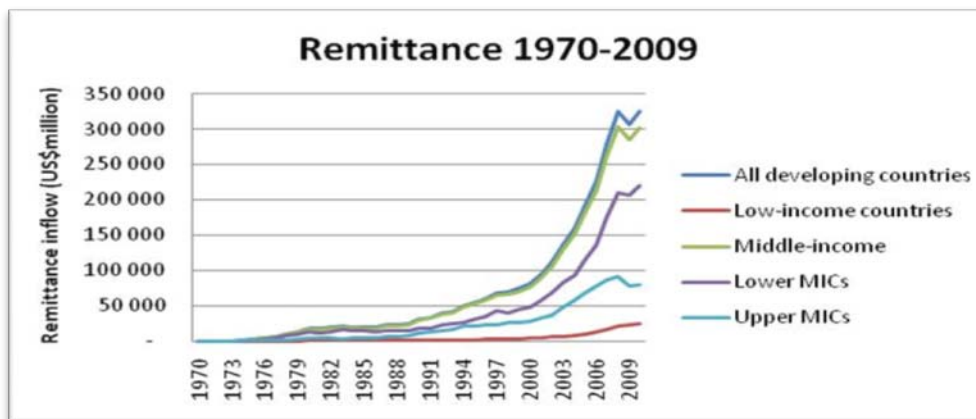
Appendix A: Remittance, Base of the pyramid, World Bank Country Classification 2011

Figure 15: Remittance as a share of GDP and of imports, 2001



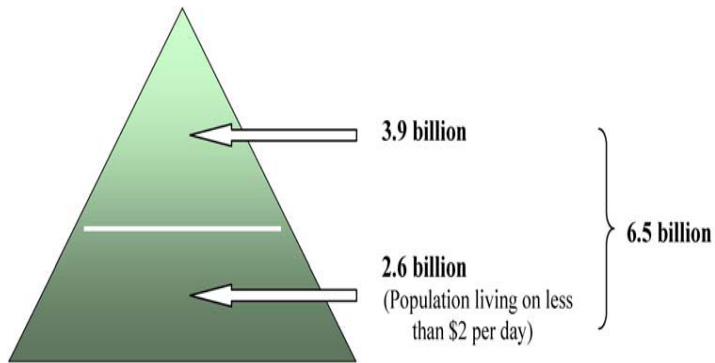
Source: World Bank, (2001)

Figure 16: The flow of remittance from 1970 – 2009.



Source: World Bank staff estimates based on the International Monetary Fund's Balance of Payments Statistics Yearbook 2008.

Figure 17: Base of the pyramid



Source: Pablo, Namsuk, Illana, Ronald, Mendoza & Nina (2010)

Table 37: World Bank Country Classification 2011

Classification	Gross National Income per capita (\$)	Gross National Income per capita (R)
Low-income	<= 995	<=7820
Lower-middle income	996-3,945	7820-31,126
Upper-middle income	3,946-12,195	31,126-96,218
Higher-income	> 12,195	>96,218

Source: World Bank, 2011



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Appendix B: Sample questionnaire

I am conducting a study on the factors which influence consumers decision to send money to members of their families through one of the many distribution channels available today (internet,money transfer,bank account,cellphone (i.e. M-PESA, Money Send etc.)and friends. You are requested to please complete the questionnaire below. This will help to better understand factors that influence the decision to send money through a bank or non bank channel.

The questionnaire consists of 17 questions which take 10-15 minutes to complete. Your participation in this research is voluntary, no financial reward or benefit will be provided for participating in this study. You are not obligated to participate in the study and if you do participate the information you provide will be treated and kept confidential.

Completing the research means that you give us consent and you voluntarily participate in this research. If you have any concerns, kindly contact me or my supervisor on the detail are provided below.

<i>Research supervisor name: Jannie Rossouw</i>
<i>Email:jannie.rossouw@resbank.co.za</i>
<i>Phone:0832887707</i>

<i>Research supervisor name: Irvin Phakane</i>
<i>Email:monaremonesi@gmail.com</i>
<i>Phone:032641575</i>



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The first section of the questionnaire consists of five questions which asks for demographic information. To complete, kindly choose the appropriate demographic descriptor by selecting or ticking next to one of the options provided. This section takes one minutes to complete.

Section A: Demographics

1. Please indicate your gender in the box below.

	Male	Female
Gender	1	2

2. Indicate the your earning in the box below.

1.	Less than R 8,000 per month	
2.	R 8,000 – R 24, 000	
3.	More than R 24,000	

3. Race

1.	Black	
2.	White	
3.	Indian	
4.	Other	

4. Indicate your Age Group by ticking below.

1.	15-24	
2.	25-34	
3.	35-49	
4.	50 and above	



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5. Education

1.	No School	
2.	Some primary	
3.	Primary completed	
4.	Some High School	
5.	Matric completed	
6.	Diploma/Degree	

Section B:

This section takes five minutes to complete.

6. Do you send money to family members who live in South Africa but do not living with you?

1.	Yes	
2.	No	

This research is targeted at consumers who send money within South Africa. The objective is to establish what factors influence consumer's decision or intention to remit at a bank or a non banking institution. If your selected NO for the above question you do not need to proceed to answer the other questions below.

7. How many family members do you send money to at any given time?

1	
2	
3	
4	



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5 or more	
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8. *What is the longest distance where a family member you send or give money lives?*

0-199 km	1
200-599 km	2
600-899 km	3
800-999 km	4
1000 km ad above	5

9. *How often do you send money?*

Once a week	1
Twice a month	2
Once a month	3
Once a year	4
Other(Please specify)	5

10. *How much do you send or give at a time?*

R0- R249	1
R250- R499	2
R500-R999	3
R1000-R1999	4
R2000 or more	5

The aim of the next set of question find out what to factors influence you to remit money. Read the questions carefully and select the appropriate option applicable to you. The questions will take 10 minutes to complete.

11. How do you send or give money to the family member not living with you?

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Bank (including Post Bank).						
1	I transfer money at my bank's branch (Money transfer).	1	2	3	4	5
2	I deposit money in to the recipient's bank account at his bank branch (e.g. Mzansi account).	1	2	3	4	5
3	I transfer money in to the recipient's bank account at my bank's internet banking website .	1	2	3	4	5
4	I transfer money in to the recipient's bank account at my bank's ATM .	1	2	3	4	5
5	I transfer money to the recipient on my mobile phone .	1	2	3	4	5
Non-bank or Retailer (i.e Shoprite, Spar, Pick'nPay).						
1	I send money at a retail store (e.g Shoprite, Spar) to the recipient.	1	2	3	4	5
2	I transfer money to the recipient on my mobile phone (e.g. Mpesa, MTN Banking) .	1	2	3	4	5
3	I personally give the money when I visit my family.	1	2	3	4	5
3	I use a taxi driver to send or give money to family.	1	2	3	4	5
4	I give money to friend or family .	1	2	3	4	5
5	I send money from the Post Office (e.g. Money transfer).	1	2	3		
6	I use other means (specify):					

Section C:

12. ASK ONLY IF THE RESPONDENT EITHER "AGREES OR DISAGREES" WITH A BANK CHANNEL BEING USED TO SEND MONEY. On a scale of 1 – 5, where 1 is strongly disagree and 5 is strongly agree, how would you

rate the following as the reasons as to why you prefer to send money to your family members through the channel .

Bank Channel		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
1.	<i>It is easy to use.</i>	1	2	3	4	5
2.	<i>It is convenient or close for me.</i>	1	2	3	4	5
3.	<i>The fees to send money are affordable.</i>	1	2	3	4	5
4.	<i>The money is protected and secure.</i>	1	2	3	4	5
5.	<i>I do not pay to send money.</i>	1	2	3	4	5
6.	<i>The money reaches my family immediately or less than a day.</i>	1	2	3	4	5
7.	<i>People who send my on this channel have more prestige.</i>	1	2	3	4	5
8.	<i>People who are important to me think i should continue to send money through this channel.</i>	1	2	3	4	5
9.	<i>Someone in my social circle who is not related to me and that i respect sends money in this channel.</i>	1	2	3	4	5
10.	<i>My family approve using this channel to send money.</i>	1	2	3	4	5
11.	<i>My friends think i should use this channel to send money.</i>	1	2	3	4	5
12.	<i>People who are important to me think I should seding in the channel is a good idea.</i>	1	2	3	4	5
13.	<i>I feel comfortable using this channels and it is important for me.</i>	1	2	3	4	5

13. ASK ONLY IF THE RESPONDENT EITHER “AGREES” OR “STRONGLY AGREES” WITH A NON BANK CHANNEL BEING USED TO SEND MONEY. On a scale of 1 – 5, where 1 is strongly disagree and 5 is strongly agree, how would you rate the following as the reasons as to why you prefer to send money to your familymembers through the channel.

Non - Bank Channel		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
1.	<i>It is easy to use.</i>	1	2	3	4	5
2.	<i>It is convenient or close for me.</i>	1	2	3	4	5
3.	<i>The fees to send money are affordable.</i>	1	2	3	4	5
4.	<i>The money is protected and secure.</i>	1	2	3	4	5
5.	<i>I do not pay to send money.</i>	1	2	3	4	5
6.	<i>The money reaches my family immediately or less than a day.</i>	1	2	3	4	5
7.	<i>People who send money on this channel have more prestige.</i>	1	2	3	4	5
8.	<i>People who are important to me think i should continue to send money through this channel.</i>	1	2	3	4	5
9.	<i>Someone in my social circle who is not related to me and that i respect sends money in this channel.</i>	1	2	3	4	5
10.	<i>My family approve using this channel to send money.</i>	1	2	3	4	5
11.	<i>My friends think i should use this channel to send money.</i>	1	2	3	4	5
12.	<i>People who are important to me think I should seding in the channel is a good idea.</i>	1	2	3	4	5
13.	<i>I feel comfortable using this channels and it is important for me.</i>	1	2	3	4	5

14. Where do your family members prefer to receive the money you send to them?

		Strongly Agree	Disagree	Neutral	Agree	Strongly Agree
Bank (including Post Bank)						
1	Prefers that I transfer money at my bank's branch (Money transfer).	1	2	3	4	5
2	Prefers that I deposit money in to the bank account at his or her bank branch (e.g. Mzansi account).	1	2	3	4	5
3	Prefers that I transfer money in to the recipient's bank account at my bank's internet banking website .	1	2	3	4	5
4	Prefers that I transfer money in to the recipient's bank account at my bank's ATM .	1	2	3	4	5
5	Prefers that I transfer money to the recipient on my mobile phone .	1	2	3	4	5
Non-bank or Retailer (i.e Shoprite, Spar, Pick'nPay)						
1	Prefers that I send the money at a retail store (e.g Shoprite, Spar) to the recipient.	1	2	3	4	5
2	Prefers that I transfer money to the recipient on my mobile phone (e.g. Mpesa, MTN Banking) .	1	2	3	4	5
3	Prefers that I personally give the money when I visit my family.	1	2	3	4	5
3	Prefers that I use a taxi driver to send or give money to family.	1	2	3	4	5
4	Prefers that I give the money to a friend or family member .	1	2	3	4	5
5	Prefers that I send the money from the Post Office (e.g. Money transfer).	1	2	3	4	5
6	Prefers that I use other means (specify):					

15. One a scale of 1 – 5, where 1 is strongly disagree and 5 is strongly agree, how would you rate the following as the reasons as to why your family prefer the bank channel to receive money.

Bank Channel		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	<i>It is easy to use for them.</i>	1	2	3	4	5
2.	<i>It is convenient or close for them.</i>	1	2	3	4	5
3.	<i>The fees to send money are affordable.</i>	1	2	3	4	5
4.	<i>The money is protected and secure.</i>	1	2	3	4	5
5.	<i>There is no payments or fees to receive money.</i>	1	2	3	4	5
6.	<i>The money reaches them immediately or less than a day.</i>	1	2	3	4	5
7.	<i>They believe that people who send on this channel have more prestige.</i>	1	2	3	4	5
8.	<i>The people who are important to them think they should continue to receive money through this channel.</i>	1	2	3	4	5
9.	<i>Someone in their social circle who is not related whom they respect receives money in this channel.</i>	1	2	3	4	5
10.	<i>I approves of them using this channel to receive money.</i>	1	2	3	4	5
11.	<i>Their friends think they should use this channel to receive money.</i>	1	2	3	4	5
12.	<i>People who are important to them think to receive money on this channel is a good idea.</i>	1	2	3	4	5
13.	<i>I believe they feel comfortable using this channels and it is important to them.</i>	1	2	3	4	5

16. One a scale of 1 – 5, where 1 is strongly disagree and 5 is strongly agree, how would you rate the following as the reasons as to why your family prefer the Non bank channel to receive money.

<i>Non Bank Channel</i>		<i>Strongly Disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly Agree</i>
1.	<i>It is easy to use for them.</i>	1	2	3	4	5
2.	<i>It is convenient or close for them.</i>	1	2	3	4	5
3.	<i>The fees to send money are affordable.</i>	1	2	3	4	5
4.	<i>The money is protected and secure.</i>	1	2	3	4	5
5.	<i>There is no payments or fees to receive money.</i>	1	2	3	4	5
6.	<i>The money reaches them immediately or less than a day.</i>	1	2	3	4	5
7.	<i>They believe that people who send on this channel have more prestige.</i>	1	2	3	4	5
8.	<i>The people who are important to them think they should continue to receive money through this channel.</i>	1	2	3	4	5
9.	<i>Someone in their social circle who is not related whom they respect receives money in this channel.</i>	1	2	3	4	5
10.	<i>I approves of them using this channel to receive money.</i>	1	2	3	4	5
11.	<i>Their friends think they should use this channel to receive money.</i>	1	2	3	4	5
12.	<i>People who are important to them think to receive money on this channel is a good idea.</i>	1	2	3	4	5
13.	<i>I believe they feel comfortable using this channels and it is important to them.</i>	1	2	3	4	5

17. On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, rate your intention to send money through each of the following channels in future? You intent to.....

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Bank (including Post Bank)						
1	Transfer the money at my bank's branch (Money transfer).	1	2	3	4	5
2	Deposit the money in to the recipient's bank account at his bank branch (e.g. Mzansi account).	1	2	3	4	5
3	Transfer the money in to the recipient's bank account at my bank's internet banking website .	1	2	3	4	5
4	Transfer the money in to the recipient's bank account at my bank's ATM .	1	2	3	4	5
5	Transfer the money to the recipient on my mobile phone .	1	2	3	4	5
Non-bank or Retailer (i.e Shoprite, Spar, Pick'nPay)						
1	Send the money at a retail store (e.g Shoprite, Spar) to the recipient.	1	2	3	4	5
2	Transfer money to the recipient on my mobile phone (e.g. Mpesa, MTN Banking).	1	2	3	4	5
3	Personally give the money when I visit my family.	1	2	3	4	5
4	Use a taxi driver to send money to family.	1	2	3	4	5
4	Give the money to a friend or family member.	1	2	3	4	5
5	Send the money from the Post Office (e.g. Money transfer).	1	2	3	4	5
6	Use other means (specify):					

18. On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how would you rate the following statements?

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Overall I intent to remit money through a bank channel.	1	2	3	4	5
2	Overall I intent to remit money through a non-bank channel.	1	2	3	4	5

19. How would rate the statements below ?

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	I know more than others on the latest new products	1	2	3	4	5
2.	I like to try new and different things.	1	2	3	4	5
3.	I tend to try new technologies before any of my peers	1	2	3	4	5
4.	I try new products without worrying about what friends and neighbours think of the product	1	2	3	4	5

20. In which province in South Africa do you frequently send money to?

1.	Gauteng	1
2.	Limpopo	2
3.	Kwa-Zulu Natal	3
4.	Mpumalanga	4
5.	Northern Cape	5
6.	Western Cape	6
7.	Eastern Cape	7
8.	Free State	8
9.	North West	9



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That was the last question. Thank you for taking part in this survey. The information you provided will assist in understanding the important factors that influence consumers to remit money through formal and informal channels. Your insights will help banks and retailers to build solutions to serve you and other customers.

Appendix D: Correlation for non-bank channel correlation

The table below shows the correlation between the factors that influence the remitting of money using the various bank channels;

Correlations		Innovativeness	Social Influences	Perceived Usefulness	Ease of use	Perceived Risk
Innovativeness	Pearson Correlation	1				
	P-Value					
	N	52				
Social Influences	Pearson Correlation	0.071	1			
	P-Value	0.629				
	N	49	49			
Perceived Usefulness	Pearson Correlation	0.267	0.375	1		
	P-Value	0.064	0.008			
	N	49	49	49		
Ease of use	Pearson Correlation	0.216	0.022	0.601	1	
	P-Value	0.137	0.878	0.000		
	N	49	49	49	49	
Perceived Risk	Pearson Correlation	-0.182	0.304	0.339	0.008	1
	P-Value	0.212	0.033	0.017	0.957	
	N	49	49	49	49	49

There is significant positive relationship between Social influence against perceived risk and perceived usefulness. This is because the correlation coefficients are positive and the p-values are less than 0.05. There is also significant positive correlation between Perceived usefulness and Ease of use and Perceived risk. The other combinations have insignificant correlations.

Appendix C: Correlation for non-bank channel

The table below shows the correlation between the factors that influence the remitting of money using the various Non -Bank channels;

Correlations						
		Innovativeness	Social Influences	Perceived Usefulness	Ease of use	Perceived Risk
Innovativeness	Pearson Correlation	1				
	P-Value					
	N	52				
Social Influences	Pearson Correlation	0.047	1			
	P-Value	0.818				
	N	27	27			
Perceived Usefulness	Pearson Correlation	0.032	0.690	1		
	P-Value	0.873	0.000			
	N	27	27	27		
Ease of use	Pearson Correlation	0.216	-0.029	0.203	1	
	P-Value	0.137	0.892	0.342		
	N	49	24	24	49	
Perceived Risk	Pearson Correlation	0.055	0.635	0.778	0.178	1
	P-Value	0.786	0.000	0.000	0.404	
	N	27	27	27	24	27

Like for the bank channel reasons for remitting money, there is a significant positive correlation between Social influence and perceived risk and perceived usefulness. These have positive correlation coefficients and the p-values are less than 0.05. Perceived risk and perceived usefulness are also significantly correlated. The correlation or the other factors are insignificant.



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Appendix E: Assurance Letter

Mucnest Statistical Consultants

392 Elgin Avenue

Ferndale

2194

12 September 2011

Dear Irvin Monesi Phakane

RE: DATA COLLECTION QUALITY ASSURANCE

This letter serves to give you an assurance that the interviewers that we employ and thus will be collecting your data are qualified, trained and have experienced in data collection. Before data collection commences these interviewers go through a project specific briefing session where they are trained about that particular project. We therefore guarantee you good quality work.

Kind Regards,

Honest Muchabaiwa

Statistician

079 8371117



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Appendix F: Invoice for statistical analysis

Mucnest Statistical Consultants

Proforma Invoice

392 Elgin Street
Ferndale
2194
Phone: 0798371117

DATE: 12 September, 2011
Invoice # 000053

Customer:
Irvin Monesi Phakane

Account Name: Irvin 001

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
50	Data Entry	R 10.00	R 500.00
1	Data Coding	R 500.00	R 500.00
1	Data Analysis	R 2 000.00	R 2 000.00
		TOTAL	R 3 000.00

Phone Number: 0798371117, E-mail: mucnest@gmail.com

Pay H.Muchabaiwa
Standard Bank
Hyde park Branch
Branch Code: 006605
Account No: 202345211

THANK YOU FOR DOING BUSINESS WITH US!



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Appendix G: Invoice for field data

collection

Mucnest Statistical Consultants

Proforma Invoice

392 Elgin Street
Ferndale
2194
Phone: 0798371117

DATE: 12 September, 2011
Invoice # 000052

Customer:
Irvin Monesi Phakane

Account Name: Irvin 001

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
52	Data Collection Questionnaires	R 60.00	R 3 120.00
TOTAL			R 3 120.00

Phone Number: 0798371117, E-mail: mucnest@gmail.com
Pay H.Muchabaiwa
Standard Bank
Hyde park Branch
Branch Code: 006605
Account No: 202345211

THANK YOU FOR DOING BUSINESS WITH US!