THE USE OF BANKING PRODUCTS AND SERVICES BY LOW-INCOME AND UNDER-BANKED CONSUMERS IN THE NELSON MANDELA BAY

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ABSTRACT

Financial inclusion provides recourse for consumers who do not have access to affordable basic financial products and services. Low-income and under-banked consumers face a myriad of factors that may prevent them from having effective access and use of banking products and services. The primary objective of this article was to investigate the factors affecting the use of banking products and services by low-income and under-banked consumers. A quantitative research approach was followed. A non-probability sample of 400 respondents was surveyed using self-administered questionnaires, yielding 307 usable questionnaires. An exploratory factor analysis was carried out to determine validity, and Cronbach's alpha coefficients were calculated to determine reliability. Descriptive statistics were calculated to summarise the sample data, and the hypothesised relationships were assessed by means of a multiple regression analysis. The results revealed that of the five factors under investigation, two were found to be have a significant positive influence on the use of banking products and services, namely Financial awareness and Appropriateness. Based on the empirical results, recommendations were made to help improve the banking institutions' ways of attracting and retaining low-income and under-banked consumers to use their products and services effectively.

Keyword: Banking Products and Services, Financial Inclusion, Low-Income Consumers, Under Banked Consumers.

INTRODUCTION

Since the establishment of democracy in South Africa, government policies have been aimed at developing a financially inclusive society that is, one in which all sections of the population have equal access to reasonably affordable and well-regulated financial products and services, which in turn promotes inclusive economic growth (Triki & Faye, 2013). The aim is to ensure that all South Africans have access to basic financial products and services to relieve poverty and achieve financial stability for all households (Finmark Trust, 2012). This includes financial products and services for making payments, savings, borrowing and insurance (Gordhan, 2011; Hawkins, 2009). Financial inclusion thus plays a vital role in improving the lives of local communities (Arya, 2018; Gordhan, 2012), as access to basic financial products and services can considerably improve consumers' financial situations (Sarma, 2008). Access to basic financial products and services also encourages consumers toward positive savings habits, home-ownership, and purchasing of insurance products (Finmark Trust, 2012).

Financial inclusion is also a way helping low-income consumers to improve their standards of living (Arya, 2018; Gordhan, 2011). Therefore, financial institutions need to expand their infrastructure to cater for consumers who do not have access to financial products and services. This is because financial exclusion is a problem across Africa; and so countries should strive for a financially inclusive society in which all sections of the population have equal access to financial products and services (Arya, 2018; Triki & Faye, 2013).

South Africa has committed itself to financial inclusion by making much policy, regulatory and technology changes to ensure that unbanked consumers have access to basic financial products and services. Additionally, South Africa has introduced many initiatives to promote financial inclusion, such as the Financial Sector Charter (FSC), the Mzansi account initiative, and the creation of the Social Security Agency of South Africa (SASSA) (Alliance for Financial Inclusion (AFI), 2012). For instance, Villasenor et al. (2015) indicate that South Africa has been experiencing a steady growth in financial inclusion. Finmark Trust (2014) report that 75% of South Africa consumers are banked and that, of the adults that receive social grants, 93% are banked due mainly to the SASSA initiative.

However, the success of financial inclusion hinges on consumers making use of financial products and services (Triki & Faye, 2013). Studies have shown that the number of consumers who use financial products and services has grown, but is limited to the withdrawal of funds only (Bold et al., 2012).

The World Bank (2013) also stated that financial inclusion extends beyond access (unbanked) to use (under-banked). This means that, while consumers must have access to bank accounts, they must also use them in a meaningful way (World Bank, 2013). For example, consumers who own Mzansi accounts mainly use them as a vehicle to receive payments (Kostov et al., 2015). This suggests that consumers do not use banking products and services meaningfully.

PROBLEM STATEMENT

As previously stated, it is important for South Africa that financial inclusion is increased that is, that all consumers have access to and use basic financial products and services (Finmark Trust, 2012). Furthermore, access and use are important in a financially-inclusive society; Sarma (2008), for example, emphasises that simply having a bank account is not sufficient in an inclusive financial system: it is also essential that the bank account is sufficiently used. Bold et al. (2012) claim that some consumers use their bank account to do hardly anything else than withdraw their income.

Despite the high number of Mzansi accounts that have been opened, many remain under-used (Mishi et al., 2012). According to the Global Partnership for Financial Inclusion (2014), the Mzansi account initiative was successful in persuading consumers to open bank accounts, but failed to encourage the extensive use of the banking products and services. Therefore, it is important to investigate which factors influence low-income and under-banked consumers to use banking products and services effectively.

OBJECTIVES

The primary objective of this article is to investigate the factors influencing consumers to use banking services. To give effect to the primary objective, the following secondary objectives were formulated:

1. To identify and discuss the factors that may influence consumers to use banking products in a meaningful way.

2. To hypothesise the relationships between the factors identified, and how they might influence the use of banking products and services.
3. To analyse the results of the empirical survey undertaken amongst low-income and under-banked consumers, and to report thereon.
4. To draw pertinent conclusions and make recommendations on how banking institutions could improve the use of bank accounts by low-income and under-banked consumers.

THEORETICAL OVERVIEW OF UNDER-BANKED CONSUMERS' USE OF BANKING PRODUCTS AND SERVICES

The term "*under-banked consumer*s" refers to consumers who have access to banking facilities such as savings or money market accounts, but who make minimal use of the value-added services on offer (Gross et al., 2012). These consumers may have access to banking facilities such as cheque cashing, money orders, bill payments, remittance, or borrowing, but make minimal use of the value-added services on offer (Federal Reserve Bank of Kansas City, 2010). For instance, these consumers have access to, and can afford, banking products and services (Rowlingson & Mckay, 2013), but do not know enough to make the best use of these banking products and services (The Banking Association of South Africa, 2013).

To use banking facilities effectively refers to the consumer using the facilities for saving, obtaining credit, investing, and obtaining financial protection through insurance (Gordhan, 2011; Hawkins, 2009). Thus the success of financial inclusion also hinges on consumers making effective use of financial products and services (Triki & Faye, 2013). To improve the use of banking accounts, consumers must be aware of the financial benefits of financial products and services, trust banking institutions, pay low fees, and use simple and appropriate financial products and services.

Financial Awareness

Awareness of the benefits of financial products and services is one of the major factors in the success of financial inclusion (Rather & Lone, 2012). Ghalib & Hailu (2009) noted that financial awareness helps consumers to benefit from high-quality financial information, instruction, and advice to make better use of financial products and services. According to Hung et al. (2009), the frequent use of financial products and services promotes higher levels of financial awareness among consumers, and improves their financial decision-making.

In South Africa, it is found that consumers are aware of savings accounts (86%), ATM cards (78%), Mzansi accounts (69%), credit cards (61%), current or cheque accounts (55%), Post Office savings accounts (53%), and debit accounts (52%) (Struwig et al., 2013). Among rural households in India, Kumar et al. (2012) found that the awareness of financial products was higher among households in the age group of 30 to 40, while people aged over 60 were not aware of the financial products that were available in the capital market. It was also found that higher education levels are linked to a higher awareness of financial products. Income was also found to increase with the awareness of financial products (Kumar et al., 2012). Another issue that might influence the use of banking products and services is the distrust that some consumers might feel towards banking institutions.

Distrust of Banking Institutions

Shankar (2013) noted that psychological factors (caused by negative experiences or negative perceptions) and cultural influences are likely causes of the distrust of banking institutions and other financial service providers. According to Demirguc-Kunt & Klapper (2013), distrust in banking institutions could be a result of cultural norms, discrimination against certain population groups, or past episodes of government expropriation of banking institutions. According to Martínez et al. (2013), some consumers may prefer informal financial institutions over formal institutions because of their distrust, and a fear that accessing formal banking products and services would be too difficult.

According to Coetzer & Pascarel (2012), trust could be established through encouraging consumers to use "*non-threatening transactions*" such as balance enquiries, account information, and intra-account transfers, as these involve minimal risks. Roy et al. (2011) found that integrity/honesty, communication/similarity, shared values, expertise, and ability/consistency significantly influence the trustworthiness of retail banking. In turn, such trustworthiness significantly influences the trust of consumers. Roy et al. (2015) add that treating consumers fairly influences retail banking's trustworthiness, and deepens the trust that consumers have in it. In addition to trust, consumers may be interested in banking products and services that charge low fees, that are simple for consumers to understand, and that are appropriate to their financial needs (Abdul-Hamid et al., 2019).

Fees, Simplicity and Appropriateness of Banking Products

The affordability of financial products and services is crucial to making them accessible to low-income consumers (Greene & Cole, 2017; KPMG South Africa, 2013). The measure of affordability of these products and services is related to the fees that consumers are willing and/or able to pay (Stavins, 2017; Anderson & Billou, 2007). According to the Banking Association of South Africa (2013), banking institutions should decrease the costs that affect consumers to bring the price of financial products and services in line with the target markets' ability to pay for them.

Furthermore, important banking products should be easy for consumers to understand. According to the Banking Association of South Africa (2013), "*simplicity*" refers to the provision and use of the financial product and services in easy ways, which includes the use of simple language and clear channels to deliver the financial products and services. Consumers prefer financial products and services that are easy to understand.

According to Javid (2013), financial products and services need to be clearly identifiable, very simple for consumers to use, and standardised so that they easily meet consumers' basic financial needs.

Lastly, banking institutions should ensure that the banking products and services they offer address consumers' financial needs (Goodstein & Rhine, 2017; Banking Association of South Africa, 2013). Banking institutions must also ensure that consumers are not excluded from full participation in the formal financial sector through a lack of simple and suitable financial products and services (Greene & Cole, 2017; Munusamy et al., 2010).

HYPOTHESES

The literature review for this article revealed a number of factors financial awareness, trust, fees, simplicity, and appropriateness that may influence the use of banking products and services. These factors were categorised as independent (Financial awareness, Trust, Fees, Simplicity, and Appropriateness) and dependent (Use of banking products and services) variables. Based on the literature review, the following hypotheses were formulated to investigate the relationship between the independent and dependent variables:

H1: *There is a significant positive relationship between financial awareness and the use of banking products and services.*

H2: *There is a significant positive relationship between trust and the use of banking products and services.*

H3: *There is a significant positive relationship between fees and the use of bank products and services.*

H4: *There is a significant positive relationship between simplicity and the use of bank products and services.*

H5: *There is a positive relationship between appropriateness and the use of bank products and services.*

RESEARCH METHODOLOGY

A quantitative research methodology was used in this article to establish a relationship between the dependent variable (Use of banking products and services) and the independent variables (Financial awareness, Trust, Fees, Simplicity, and Appropriateness). The main approaches were exploratory and descriptive research aimed at exploring and describing the factors affecting the use of banking products and services. Secondary data was collected by means of an extensive literature study that included academic journal articles, newspaper articles, the internet, and textbooks. The target population consisted of low-income under-banked consumers in the Nelson Mandela Bay area.

Primary data was collected through a survey by distributing a self-administered questionnaire. The questionnaire had two sections. Section A consisted of the general information about the respondents, including their gender and ethnicity, age, language, channels of receiving and sending money, source of income, and profession. In Section B of the measuring instrument, a five-point Likert-type scale was used to collect data showing a respondent's level of agreement or disagreement with the statements set out in the questionnaire.

The options of the five-point Likert scale were "*strongly disagree*", "*disagree*", "*neutral*", "*agree*", and "*strongly agree*", reflecting respondents' perceptions of the factors influencing the use of a bank account. This section consisted of statements that measured factors such as Financial awareness, Trust, Fees, Simplicity, Use, and Appropriateness of banking products and services.

Data capturing was done by using the Microsoft Excel spreadsheet software. The data was further analysed using the Statistica 12 software package. The statistical techniques used consisted of the following:

1. Confirmatory Factor Analysis (CFA), undertaken to assess the validity of the measuring instrument used in this study. Items that reported a loading of 0.4 or above were accepted as significant.
2. Cronbach's alpha coefficients were calculated to verify the inter-item reliability of the research instrument, with a coefficients of 0.7 or greater being accepted as reliable.
3. Descriptive statistics were calculated in the form of mean scores, standard deviations and frequency distributions.

4. Multiple regression analysis, was used to determine the relationship of the independent variables on the dependent variable and the dependent variable and to test the stated hypotheses.

EMPIRICAL RESULTS

A total of 400 questionnaires were distributed to low-income under-banked respondents residing in the Nelson Mandela Bay area, yielding 307 usable questionnaires. The data from these questionnaires was captured and analysed as described in the sections that follow.

Demographic Information

Table 1 summarises the demographic data, and describes the demographic profile of the sample of the study.

Table 1
DEMOGRAPHIC INFORMATION

Gender	Frequency	Percentage
Male	146	47.56%
Female	157	51.14%
Not willing to say	4	1.30%
Total	**307**	**100.00%**
Age	**Frequency**	**Percentage**
0<20	14	4.56%
20-29	85	27.69%
30-39	103	33.55%
40-49	58	18.89%
50-59	26	8.47%
60+	14	4.56%
Not willing to say	7	2.28%
Total	**307**	**100.00%**
Language	**Frequency**	**Percentage**
English	80	26.06%
Xhosa	138	44.95%
Afrikaans	76	24.76%
Zulu	7	2.28%
Other	2	1.95%
Total	**307**	**100.00%**

Source: Researcher's own construct from the demographic information in the questionnaire.

From Table 1 it can be seen that there was a nearly-even split between the number of males and females who participated in the study. The respondents were between the ages of 30 and 39 years (33.55%), 20 and 29 years (27.69%), 40 and 49 years (18.89%), and 50 and 59 years (8.47%). In terms of the home language of the respondents, Xhosa was spoken by most (44.95%), followed by English (26.06%) and Afrikaans (24.76%). The least-spoken language in the sample was Zulu (2.28%).

Validity and Reliability

A Confirmatory Factor Analysis (CFA) was carried out to assess the validity of the measuring instrument. Cronbach's alpha coefficients (Cα) were calculated to assess the reliability of the data. The results of the validity and reliability analysis, and of the operational definitions of the variables, are presented in Table 2.

Table 2
OPERATIONAL DEFINITIONS AND VALIDITY AND RELIABILITY RESULTS

Operationalisation of factors	Items	Factor loadings	CA
Use refers to the actual use of financial products and services by sending and receiving money, saving, depositing, doing cashless transactions, using cell-phone banking, settling monthly expenses, and gathering details about the regularity, frequency and duration of use of financial products and services over time.	5	Max: 0.788 Min: 0.419	0.757
Financial awareness refers to consumers' financial awareness of the benefits of having access to a bank account, different banking services, different types of transactions, different banking channels, and other banking products linked to their bank accounts.	5	Max: 0.779 Min: 0.668	0.863
Trust refers to the security features and relative safety of having a bank account, the security of tamper proof information systems that are kept confidential and are protected by a unique pin number, and the knowledge that the bank has the best interests of the consumers at heart.	6	Max: 0.908 Min: 0.845	0.970
Fees refers to consumers' perceptions of the relative affordability of different banking products and services, the cost of drawing and depositing money, the cost of inter-account transfers, and the cost of bank statements.	6	Max: 0.870 Min: 0.844	0.964
Simplicity refers to the provision and use of financial products and services that use simple language and delivery channels, have reduced learning curves, and are easy to understand and use.	5	Max:0.828 Min: 0.691	0.872
Appropriateness refers to the nature and depth of the interaction between the consumers and banking institutions in having access at different locations, banks offering services that meet consumers' needs, consumers achieving financial goals, and improving lifestyles by doing all transactions via the bank account and having more control over their personal financial affairs.	5	Max: 0.900 Min: 0.750	0.918

Source: Researcher's own construction following the validity and reliability tests.

Five of the seven items intended to measure *Use* loaded together (Annexure 1 for the factor structure) with factor loadings of between 0.788 and 0.419. A Cronbach's alpha coefficient of 0.757 was reported for *Use*. Thus the scale measuring *Use* was accepted as valid and reliable. All five items intended to measure *Financial awareness* loaded together as expected, with factor loadings of between 0.779 and 0.668. A Cronbach's alpha of 0.863 was reported, suggesting that the scale measuring this factor was valid and reliable. All six items intended to measure *Trust* loaded together as expected, with factor loadings of between 0.908 and 0.845. A Cronbach's alpha of 0.970 was reported for this factor, suggesting that the scale measuring this factor was valid and reliable. All six items intended to measure *Fees* loaded together as expected, with factor loadings of between 0.899 and 0.844. A Cronbach's alpha of 0.968 was reported, suggesting that the scale measuring this factor was valid and reliable. All six items intended to measure *Simplicity* loaded together as expected, with factor loadings of between 0.851 and 0.691. A Cronbach's alpha of 0.872 was reported, suggesting that the scale measuring this factor was also valid and reliable. Five of the six items (APP2, APP3, APP4, APP5, APP6) originally intended to measure *Appropriateness* loaded together as expected (see Annexure A). Factor loadings of between 0.90 (APP3) and 0.750 (APP2) were reported for this factor. *Appropriateness* explains 12.2% of the variance in the data. A Cronbach's alpha of 0.918 was reported, suggesting that the scale measuring this factor was reliable.

Descriptive Statistics

According to Struwig & Stead (2013), descriptive statistics are a method of summarising, organising, and presenting data. Descriptive statistics include the mean, standard deviation, and frequency distribution to describe the sample data, which is summarised in Table 3.

Table 3
DESCRIPTIVE STATISTICS (N=307)

Factor	Mean	Std. dev.	Disagree %	Neutral %	Agree %
Use of banking products and services	3.83	0.67	3.91	22.80	73.29
Simplicity	4.11	0.53	1.03	5.86	93.11
Appropriateness	3.56	0.80	11.40	32.57	56.03
Fees	2.18	1.09	65.80	16.61	17.59
Trust	3.13	1.13	34.85	17.59	47.56
Financial awareness	3.66	0.82	10.10	27.04	62.86

Source: Researcher's own construct from the descriptive statistics.

A mean score of 3.83 was reported for the dependent variable *Use*, with the majority of respondents (73.29%) agreeing that they use banking products and services. *Simplicity* reported a mean score of 4.11, with the majority of respondents (93.11%) agreeing that the use of banking products and services is simple and easy to understand. For *Appropriateness*, a mean score of 3.55 was reported, meaning that the respondents agree with the factor. The majority of the respondents (56.03%) agreed on the appropriateness of banking products and services, while 32.57% were neutral about the appropriateness of banking products. A mean score of 2.18 was reported for *Fees*. The majority of the respondents (65.80%) disagreed that using banking products and services is inexpensive. A mean score of 3.13 was reported for *Trust*. The majority of the respondents (47.56%) agreed that they trust their bank and the safety provided, while 34.85% of the respondents disagreed that they trust their banks, and 17.59% were neutral on the issue. A mean score of 3.66 was reported for *Financial awareness*. The majority of the respondents (62.86%) agreed that they were aware of the different banking products and services available to them.

Multiple Regression Analysis

Multiple regression analysis is a statistical technique that explains the effect of multiple independence variables on a dependent variable (Babbie & Mouton 2010). It is conducted to determine whether there are significant relationships between the dependent variable and one or more of the predictor variables (Gary, 2003). Multiple linear regression analysis was the main statistical analysis performed to see whether *Financial awareness*, *Trust*, *Fees*, *Simplicity* and *Appropriateness* had any significant influence on the dependent variable *Use*. The results of the analysis are presented in Table 4.

Table 4
RESULTS OF THE MULTIPLE REGRESSION ANALYSIS

Dependent Variable: Use of banking products and services		R-square=0.125	
Independent Variables	**Beta**	**t-value**	**Sig. (p-value)**
Financial awareness*	**0.104***	**1.945**	**0.005***
Trust	-0.021	-0.499	0.618
Fees	-0.053	-1.346	0.179

Table 4 **RESULTS OF THE MULTIPLE REGRESSION ANALYSIS**			
Appropriateness**	**0.219****	**4.474**	**0.001****
Simplicity	0.101	1.371	0.172
Bold*=p-value<0.005, Bold**=p-value<0.001).			

Source: Calculated from the regression analysis

From Table 4, the strongest statistically significant positive relationship (β=0.219; p<0.001) was reported between *Appropriateness* and *Use*. This means that the more that banking institutions offer products and services that meet under-banked consumers' needs, the more likely they are to make use of these products and services. In addition, the more that banking institutions provide products and services that enable under-banked consumers to achieve their financial goals and improve their lifestyles, the more likely the consumers are to use these products and services. Thus support was found for hypothesis *H5*.

Another significant positive statistically significant relationship (β=0.104; p<0.000) was reported between *Financial awareness* and *Use*. This implies that the more that low-income and under-banked consumers are aware of the benefits of having a bank account, the different banking services they have access to, the type of transactions they can perform, the different banking channels available to them, and the other banking products linked to their accounts, the more likely they are to use banking products and services. Thus support was found for hypothesis *H1*.

No significant relationship was reported between Trust, Fees, and Simplicity and the dependent variable *Use*. Thus no support was found for hypotheses *H2*, *H3* and *H4*. From the R-square value it can be seen that the independent variables explain 12.5% of the variance of the dependent variable.

DISCUSSION

The findings of the study show that the use of banking products and services can be increased through increased financial awareness about various available products and services, changing the unrealised need of the consumers into a realised need for banking, and providing affordable services for various sections of the population. Thus a poor awareness of banking products and services represents a significant barrier to using banking products and services effectively and to their own benefit. Not being aware of the financial opportunities offered by banking institutions inhibits low-income under-banked consumers from making informed choices and taking effective action to advance their financial well-being with the products and services that banking institutions offer.

This finding is in line with Ghalib & Hailu (2009), who claim that financial awareness helps future consumers to benefit from high-quality information, instruction and advice, and improve their use of banking products and services. According to Hung et al. (2009), frequent use of financial products and services promotes higher levels of financial awareness among consumers, and this helps them to make informed financial decisions that are underpinned by an increasingly intimate knowledge of financial concepts.

Even though banking institutions have some banking products and services that are suitable for the needs of low-income and under-banked consumers, the findings of this study show that these consumers have a low awareness of those products and services. Financial awareness helps consumers to comprehend the importance and basic mechanics of finance, as it is particularly significant and intrinsically related to consumer protection. Consumers are less likely to fall victim to unscrupulous financial service providers who offer them inappropriate financial products and services.

It was found in the study that *Appropriateness* reported a positive significant influence on *Use*. The findings concur with those of the Banking Association of South Africa (2013), which asserts that banking products and services should ensure that consumers' needs are addressed. According to Finmark Trust (2012), banking institutions should determine the customers' experience and knowledge of the type of product and service to be provided before carrying out a transaction with them. Moreover, if the transaction is regarded as inappropriate, the consumer should be warned. Further attention is necessary to deliver the portfolio of banking services that will meet low-income and under-banked consumers' financial needs. Consumers will benefit more from banking products and services that are designed with the consumers' needs at heart, to ensure that the financial products and services best suit their individual needs.

CONCLUSION

Despite the limitations, the results of the study can serve as an important contribution to understanding how low-income and under-banked consumers use banking products and services. As far as can be established, only limited research has been conducted into the factors that affect the use of banking products and services by low-income and under-banked consumers. This may be attributable to the fact that investigations have concentrated more on middle- and high-income consumers, and less on low-income and under-banked consumers. This article has added to the theoretical and empirical body of knowledge of the factors that affect the use of banking products and services by low-income and under-banked consumers.

RECOMMENDATIONS

When low-income and under-banked consumers make choices about banking products and services, they are mostly affected by the level of *Appropriateness* of those banking products and services, as well as by their own level of *Financial awareness*. Consumers with a high level of awareness of banking products and services are more likely to acquire appropriate products and services that help them to meet their financial needs.

It is recommended that banking institutions tailor their marketing campaigns for low-income and under-banked consumers in order to improve their level of financial awareness of the banking products and services they use. Banking institutions should seek to improve their communications strategies by adopting techniques that effectively transmit their ideas to low-income and under-banked consumers. This means that bank accounts such as the Mzansi account should be effectively marketed to low-income and under-bank consumers, using appropriate media. An example of such media might include the use of television advertisements and 'infotainment' programming to reach large audiences efficiently and effectively. The television advertisements should highlight the different types of banking products and services available, the benefits of banking products and services, and where under-banked consumers can access these banking products and services. Brochures providing comprehensive information about banking products and services should be made available to low-income and under-banked consumers in the language that they understand. They should highlight the different available transactions and channels, as well as the benefits of using the banking products and services that under-banked consumers can access.

The banking institutions should educate their employees about the needs of low-income and under-banked consumers for appropriate types of banking products and services. Such education could take the form of formal training, coaching, and workshops. Furthermore, banking institutions should try to engage low-income and under-banked consumers via familiar and accessible languages to inform and educate them. Banking institutions should make appropriate low-cost banking channels available in areas where these consumers are most likely to trade. The products and services offered should be designed to be affordable and cost-effective for low-income and under-banked consumers' needs. Consumers should be able to achieve their goals, such as savings, without high banking costs eroding their savings.

LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

There are a few limitations to this study that need to be highlighted and that should be considered when interpreting the findings of this research. The theoretical model developed in the study only focused on five influencing factors. The investigation of other possible factors contributing to the use of banking products and services is necessary. These could include such factors as financial knowledge, affordability, consumer protection, and distances. Making use of a larger sample and an improved model with other pertinent influencing factors might bring to light the significant factors involved in the decisions made by consumers in the use of banking products and services.

APPENDIX

Annexure 1
FACTOR STRUCTURE FROM EXPLORATORY FACTOR ANALYSIS

CODE	FEES	APPROPRIATENESS	TRUST	SIMPLICITY	USAGE	FINANCIAL AWARENESS
FA1	0.195467	0.151096	0.264680	0.131856	0.026863	**0.779089**
FA2	0.155820	0.190532	0.269234	0.143607	0.046190	**0.759572**
FA3	-0.016813	0.038601	0.274772	0.156607	0.032278	**0.693857**
FA4	0.073465	0.166467	0.198993	0.089932	0.055428	**0.800095**
FA5	-0.057011	0.025489	0.255262	0.119509	0.073222	**0.667740**
TR1	0.228669	0.078350	**0.870474**	0.070534	-0.028179	0.119638
TR2	0.199961	0.050228	**0.907758**	0.052647	0.020768	0.157967
TR3	0.267587	0.063526	**0.896080**	0.044620	-0.030095	0.137904
TR4	0.228268	0.116631	**0.898232**	0.021072	0.019050	0.153261
TR5	0.318947	0.040382	**0.866598**	0.064100	0.002419	0.139058
TR6	0.321014	0.045424	**0.844486**	0.089174	0.037526	0.147148
FE1	**0.869909**	0.050039	0.237815	0.000492	0.004368	0.035728
FE2	**0.897545**	-0.020574	0.217066	-0.050259	0.027610	0.012351
FE3	**0.883580**	0.059174	0.250448	0.011994	-0.049795	0.057593
FE4	**0.898726**	0.058245	0.277034	0.044956	-0.039146	0.037281
FE5	**0.893383**	-0.030663	0.233993	-0.027835	0.012732	0.060491
FE6	**0.890267**	0.032478	0.259415	0.001396	-0.000036	0.087380
SIM1	-0.051145	-0.027441	0.034545	**0.789943**	-0.043388	0.135279
SIM2	-0.037503	0.108203	0.063907	**0.851166**	0.069310	0.074789
SIM3	0.053670	0.088603	0.131526	**0.828322**	0.130272	0.065297
SIM4	0.040386	0.226039	0.097316	**0.774319**	0.072743	0.143573
SIM5	-0.046089	0.254052	0.049333	**0.691112**	0.104902	0.143940
USE1	-0.205613	0.024994	-0.046201	0.033082	**0.741811**	-0.052148
USE2	-0.040853	-0.001574	-0.067035	0.072518	**0.752211**	-0.111257
USE3	0.098750	0.170780	0.043201	0.127527	**0.787689**	0.174407

Annexure 1
FACTOR STRUCTURE FROM EXPLORATORY FACTOR ANALYSIS

USE4	0.092705	0.209823	0.065440	0.140383	**0.731032**	0.160279
USE5	0.050137	0.261450	0.074251	0.100448	0.185117	0.116718
USE6	-0.236439	0.236923	-0.080599	-0.028660	0.254645	0.067378
USE7	-0.085885	0.388776	0.065714	-0.102354	**0.419069**	0.230945
USE8	0.002718	0.304223	0.174954	0.024162	0.162440	0.221062
APP1	-0.210987	0.339796	-0.081057	0.250741	0.101250	0.051189
APP2	0.110433	**0.749650**	0.092986	0.277493	0.054894	0.024145
APP3	0.062129	**0.899338**	0.086208	0.110549	0.036654	0.078381
APP4	-0.094564	**0.749961**	0.071146	0.002742	0.124853	0.141696
APP5	0.003865	**0.891528**	0.057840	0.061223	0.072417	0.094788
APP6	0.076821	**0.881854**	0.095316	0.109032	0.074536	0.110085
Expl.Var	**5.447818**	**4.400768**	**5.478007**	**3.456466**	**2.674231**	**3.203178**
Prp.Totl	**0.151328**	**0.122244**	**0.152167**	**0.096013**	**0.074284**	**0.088977**

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