

**AN EVALUATION OF THE IMPORTANCE OF INTERNET BANKING IN  
ZIMBABWE AND SOUTH AFRICA**

BY

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## ABSTRACT OF TERMS

There is little doubt that the Internet has revolutionized the entire communication system. As much as banking involves communication in one way or the other, banks have joined the communication bandwagon. Having observed in developed countries the astronomical growth rate and acknowledging the potential banks adapting and often adapting the Internet to suit their functions and roles, as in any new venture there are setbacks in terms of issue of security and associated costs. As a consequence banks are working towards remedying these shortcomings so as to take full advantage of the digital revolution.

In Zimbabwe the situation is very slow indeed as epitomized by a protracted adoption of Internet banking equivalent to one bank per year. In South Africa the set up is slightly different however, but is not yet comparable to that of the developed world. The present study therefore was undertaken to understand and understand the factors affecting e-commerce and hence Internet banking. It has been observed that, if fully exploited, Internet banking can lead to very fruitful benefits, notwithstanding a myriad of challenges that this new concept poses. In this research these have been referred to as the 'boon' and the 'bane' respectively.

There are so many reasons why our banks are far from owning virtual organizations, i.e. those that do not have any brick-and-mortar structures. Internet Banking, on the other hand, lobbies for these virtual organizations, thus enhancing the need of physical evidences.

In the light of the aforesaid, the obvious questions that arise concern the benefits and challenges from Internet Banking. However, recommendations that feature in this document are closely linked to the research objectives, and take form of possible strategies that banks can adopt in order to reap the best out of Internet banking.

The conclusions that we draw from this research are that Internet Banking is still far from becoming a household name, and that its limited use by customers will never fully substitute the need for personal contact with bank employees. The brick-and-mortar banks are there to stay, but only sizes of operations are susceptible to trimming. Success stories are reaching us from Europe.