Tills could replace ATMs

The challenge in South Africa is how to convert mobile money to cash and vice versa, as the mobile money transfer solutions expand the mobile banking market.

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"Mobile money is growing tremendously," says Bevan Ducasse of wiGroup. "The big four banks and Capitec have a mobile banking solution and MTN and Vodacom also offer money transfer services. The problem of how to enable people without traditional bank accounts to transfer money has been solved. If someone has a cellphone number, you can send money.

"What does still need to be solved is the problem of how to spend money sitting in mobile accounts and wallets. At some point you still need to be able to deposit and withdraw cash and everything points to the retail footprint in South Africa being the answer."

He believes the logical next step will see retailers teaming up with mobile banking operators to provide that final link.

"Retailers already have the entire infrastructure that's needed. They have the bricks-and-mortar presence in every small town, the communications networks, the cash, the security and the customers. Opening up retail points of sale to act as cash deposit and withdrawal points is a no-brainer."

Retailers, banks and consumers all stand to benefit. "For the retailer, there is increased foot traffic into the store and the opportunity to earn a small fee per transaction. For the banks and mobile transaction operators, there is the chance to offer a better service to a larger market, at a fraction of the cost of rolling out an entire new ATM network, especially into Africa and for consumers, there is greater flexibility and access to their money.

"The technology platform to enable this already exists and has been proven. Within the next 12 months to three years I expect to see consumers being able to walk into their local branch of most national retailers and transact with the bank of their choice," he concludes.