

Debit card usage increases in SA - survey

According to the Visa's Global Payments Tracker Survey 2012, released this week, South African debit card usage is steadily increasing with a 41% ownership amongst respondents. This signals a shift in the 'cash is king' mind-set that is typical of emerging markets.



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However, despite the increased usage of debit cards, South Africa still has one of the largest proportions of banked individuals who are not yet cardholders (25%), which suggests strong growth opportunities in the South African market.

These are among the key findings of the survey, which reviews 12 countries, including South Africa, US, UAE, Australia and India, to gauge respondents' views on their preferred payment habits.

"Our findings suggest that while cash still has a place in society, card usage in South Africa is steadily increasing as communities modernise and technology improves. Year-on-year, we're seeing growing consumer confidence in debit cards as people see the benefits of using card-based payments, like convenience and safety," said Herman Botes, head of debit for Visa in Sub Saharan Africa.

The study shows 41% debit card ownership in South Africa amongst the 1600 respondents surveyed. More cardholders in 2012 consider debit cards faster and more secure than cash, which is evident by the growing percentage of cardholders that use their debit card for purchases at the point of sale, rising 4% year-on-year to 72%.

Apart from a clear move away from cash, people were also increasingly using debit cards to control their spending better. According to the survey, there are a high percentage of point-of-sale active debit cardholders using this method of payment, mostly at supermarkets, department and grocery stores, restaurants and at small retail outlets. The study shows that a growing percentage of cardholders consider debit cards to be more convenient for their everyday purchases.

Convenience and safety are rated among the top reasons for shoppers opting to go cashless with many believing that a card brings more personal safety than cash. The embedded security microchip and PIN is another feature that holds a strong appeal for debit cardholders.

"The survey, which reflects a natural progression towards convenient and secure payment methods, shows the success of efforts by major banks to stimulate financial inclusion and create awareness of how banking products can best serve people's personal finance needs," concluded Botes.

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