

**AN EVALUATION OF THE ADOPTION OF PAPERLESS
BANKING IN UGANDA; A CASE STUDY OF SELECTED
BANKS**

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ABSTRACT

Decades have passed since the financial press proclaimed a checkless society was close at hand but the continued inflation of the paper monster makes bankers wonder if Paperless banking will remain a dream. Today the news is that Paperless Banking is alive and possible- not just for super regional institutions with bottomless technology budgets but for community banks that have the vision to move the paper mountain.

Paperless Banking is both a process and product electronic innovation which entails the provision of commercial, financial and social activities using electronic media and communications technology. Banking products and services are provided using electronic channels.

This study gives an insight into the state of Paperless Banking in Uganda with an aim of showing how Paperless Banking differs from Conventional Banking and also highlighting the different avenues through which it is practiced in Uganda. The study also involved a survey of the attitudes of the bank employees and customers towards this new notion and also suggests ways through which it can be promoted in the Country so as to enable banks tap into its huge financial potential.

It was discovered that Paperless Banking is still practiced on a low scale especially for some products like credit cards and Point of Sale (PoS) services. Absence of national identification cards coupled with other problems like low literacy levels leading to a very low banking population in the country, lack of access to modern banking technology and failure to adequately promote some of the electronic banking products are some of the factors that were identified to explain the low usage of Paperless Banking products in the country. In order to promote this section of the banking industry, banks will have to invest heavily in new technology to come with better and more convenient ways of reaching the market. Partnerships with other companies in the provision of financial services will also help banks to remain competitive in the current market as will simple remedies such as enhancing computer literacy among bank customers and the entire public.