



MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

**ANTECEDENTS OF AGENCY BANKING ADOPTION AMONG COMMERCIAL
BANK CUSTOMERS IN MBARARA MUNICIPALITY**

BY

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2017/HD10/213U


**A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY OF GRADUATE
STUDIES AND RESEARCH OF MAKERERE UNIVERSITY BUSINESS
SCHOOL IN PARTIAL FULFILMENT OF THE REQUIREMENT
FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION OF
MAKERERE UNIVERSITY**

PLAN A

MARCH, 2021

DECLARATION

I Gilbert Alinda, hereby declare that this work is of my own efforts and has never been submitted for any award to this university or any other institution of higher learning.

Signed..........Date.....01...../.....03...../.....2021.....

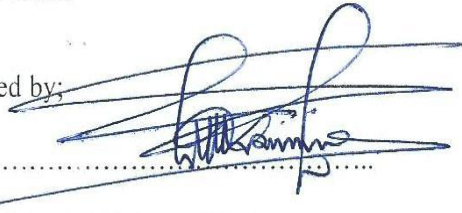
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APPROVAL

This is to certify that this Dissertation has been conducted under our supervision as university supervisors

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Date 01 / 03 / 2021

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Date 02 / 03 / 2021

DEDICATION

I dedicate this work to my Dear parents, wife, children, supervisors, brothers, sisters and friends for the over whelming support, advise and encouragement that they gave me during the research journey.

ACKNOWLEDGEMENT

My special appreciation goes to the almighty God who has enabled me to accomplish this research work successfully. My sincere gratitude goes to my supervisors Dr. Richard Akisimire and Miss. Moureen Asimwe for their support; commitment and guidance that made this study a reality.

Special appreciation goes to the MUBS-Principal Prof. Waswa Balunywa, Director Mbarara regional campus Mr. Byarugaba Pontius and the entire Makerere University Business School for rendering me this opportunity to pursue a Master's degree in Business Administration. I will always be grateful for your generosity.

I'm also indebted to my facilitators at Masters programme Prof. Waswa Balunywa, Dr. Richard Akisimire, Prof. Laura, Dr. Isaac Nkote, Mr. Opolot Julius, Mr. Mugaya Siraji, and Mr. Byarugaba Pontius.

My family, Tracy, Grace, Arnold, Catherine viola, Vanesa, Doreen, Bob, Collins, Evert, Sam, Abigail, my friends Ivan, Francis, Katongole, Paddy, Bruce, Godwin, SSuna, Ronald, Perez, Tamale, Arnold, Jamila among others. May God reward you abundantly.

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LIST OF ABBREVIATIONS

TAM	: Technology Acceptance Model
BOU	: Bank of Uganda
ATM	: Auto Teller Machine
POS	: Pont of Sale
ANOVA	: Analysis of Variables
SPSS	: Statistical Package for social scientists
CVI	: Content Validity Index
VIF	: Variance Inflation Factor

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ABSTRACT

The study sought to establish the antecedents of agency banking adoption among customers of commercial banks that offer agency banking in Mbarara Municipality. The study adopted across sectional and correlation quantitative design using a sample size 148 customers of agency banking among commercial banks in Mbarara Municipality. The data were tested for reliability and validity, analysed using SPSS version 21 and results presented based on the study objectives.

The correlation coefficient analysis revealed positive and significant relationships; perceived usefulness and adoption of agency banking, perceived risk and adoption of agency banking, customer attitude and adoption of agency banking, which implies that when one variable is improved it leads to improvement of the other but on the other hand the relationship between perceived ease of use and adoption of agency banking was insignificant which implies any change in perceived ease of use will not affect in any way adoption of agency banking. Furthermore, the multiple regression analysis indicates that perceived usefulness, perceived ease of use, perceived risk and attitude combined have a greater influence on the adoption of agency banking (Adj R^2 of 0.647). However, it was further revealed that perceived usefulness and perceived risk have a more direct effect on the adoption of agency banking. Therefore, commercial banks should promote the usefulness of the agency banking by advertising and sensitizing the public about the use of agency banking, since by knowing this information, it will indicate to them the reason as to why they should use agency banking, by clearly bringing out the benefits to the customers and this will increase the use and the adoption of agency banking among the customers of commercial banks hence 0.353 is gap left for further research.

Managers/owners of commercial banks and other stakeholders should promote risk awareness which is involved in agency banking, by informing the customers through newspapers and radio announcements so that they can learn how to avoid the risks in the market places of agency bankers, and this will increase the adoption of agency banking among the customers of commercial banks. The study undertook only quantitative approach. Future research in the same area could adopt a mixed approach with quantitative data and triangulates.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

World over, the introduction of the agency banking model has been of great significance in the banking industry because it improves access to financial services for a larger number of customers as well as reducing delays in queuing by customers among others (Panturu, 2019). Most developing economies including Uganda are increasingly embracing agency banking as a means of delivering banking services to many unreached clients especially those in low-income households (Bank of Uganda, 2019). According to the Financial Sector Deepening report (2017), 58% of Uganda's adult population are potential users of agency banking and 9.3 Million adults need to travel for more than one hour to access a bank branch. According to Calleo (2014), agency banking is the contracting of a retail outlet whether corporate or a small market enterprise by a financial institution or mobile network operator to process bank client's transactions. Agents operate in supermarkets, pharmacies, retails shops and convenience stores (Sahut, 2011).

Extant literature indicates that factors like perceived usefulness, perceived ease of use, perceived risk and customer attitudes are key antecedents to the adoption of new innovations such as agency banking (Mungai, 2016; Azham, 2016; Maziriri, 2017; Balladares, 2017 and Mostert 2012). A study by Mungai (2016) indicates that the ease of implementation of an innovation influences its adoption. Models such as the Technology Acceptance Model (TAM) and the Innovation Diffusion Model have been used in previous studies to explain factors that influence system and or technology adoption (Davis, 1986 and Rogers 2003).

Notably, Perceived Usefulness is the extent to which a user believes that a particular system would improve their performance in terms of performing their job better and meeting their expectations (Schultz & Slein, 1975). In a study conducted in Singapore, Liao and Cheung (2002) sought to measure consumer attitudes towards the usefulness of and willingness to use internet retail banking and found that expectations of accuracy, security, network speed, user involvement, convenience and user friendliness were the major quality attributes underlying perceived usefulness. Perceived Ease of Use is the extent to which a person accepts that using a certain method would be free of effort and at no cost to him or her; Pikkarainen et al., (2004) and Hosein (2010). Zahid et al., (2010) observed that people who adopt a particular system presume that the use of the information system in question would enhance their performance.

1.2 Statement of the Problem

The introduction of agency banking model has become of great significance to the banking industry in Uganda. With agents taking up some of the bank roles, bank customers are expected to find ease of access to bank services, flexible banking hours and cost effectiveness. Since there is no need for customers to travel long distances to access banks (United Nations Capital Development Fund Report, 2019). Despite the benefits of agency banking adoption, there are still few agents registered by banks countrywide. For instance, it is reported that KCB has only 300 agents, Centenary Bank has only 392 agents, Stanbic Bank has only 400 agents and Equity Bank has around 1000 agents countywide (Mweheire, 2019).

The banking sector has had a rapid expansion in Agency banking hardly a year since Bank of Uganda issued Agency banking regulations. More so, Agency Banking is delivering financial services to the under-served and un-banked population in the country (Mweheire, 2019). However, banks still experience long queues even where there are agents operating in their Proximity. Although extant literature associates agency banking adoption to customers'

perceived usefulness, ease of use, perceived risk and attitudes, little is known in the context of customers for commercial banks operating in Mbarara Municipality, Uganda. This therefore motivated the researcher to conduct this study.

1.3 Purpose of the Study

The study sought to examine the relationship between antecedents that is; perceived usefulness, perceived ease of use, perceived risk and customer attitude towards agency banking adoption among customers of commercial banks that offer agency banking in Mbarara Municipality, Uganda.

1.4 Objectives of the Study

- i. To establish the relationship between perceived usefulness and agency banking adoption by customers of commercial banks in Mbarara Municipality.
- ii. To establish the relationship between perceived ease of use and agency banking adoption by customers of commercial banks in Mbarara Municipality.
- iii. To establish the relationship between perceived risk and agency banking adoption by customers of commercial banks in Mbarara Municipality.
- iv. To establish the relationship between customer attitude and agency banking adoption by customers of commercial banks in Mbarara Municipality.

1.5 Research Questions

- i. What is the relationship between perceived usefulness and agency banking adoption by customers of commercial banks in Mbarara Municipality?
- ii. What is the relationship between perceived ease of use and agency banking adoption by customers of commercial banks in Mbarara Municipality?
- iii. What is the relationship between perceived risk and agency banking adoption by customers of commercial banks in Mbarara Municipality?

- iv. What is the relationship between customer attitude and agency banking adoption by customers of commercial banks in Mbarara Municipality?

1.6 Scope of the Study

1.6.1 Content Scope

The study investigated the relationship between perceived usefulness, perceived ease of use, perceived risk, customer attitude, all as antecedents and agency banking adoption among commercial bank customers in Mbarara Municipality.

1.6.2 Geographical Scope

The study was conducted in Mbarara Municipality, Uganda. Targeted responses from customers of commercial banks that offer agency banking in the area. This area was chosen because most of the commercial banks and their agents are concentrated in Mbarara Municipality.

1.6.3 Time Scope

The study adopted a time scope of two years (2017-2019) so as to cover the most recent developments about agency banking. This was because Agency banking had been in practice for only the last two years among commercial bank especially in Mbarara Municipality.

1.7 Significance of the Study

The findings of the study would guide policy makers to make informed decision by benchmarking on this research on perceived usefulness, perceived ease of use, perceived risk and attitudes towards agency banking adoption in Uganda.

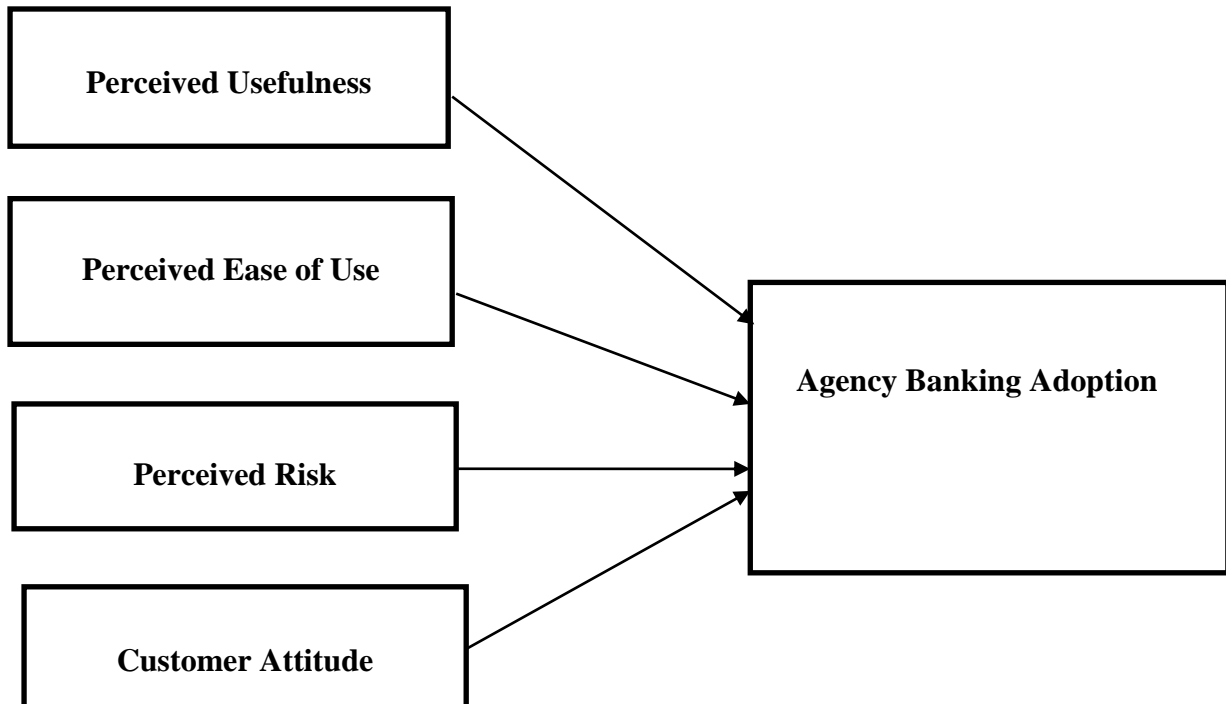
The findings of the study would give a picture to the bank managers on the status of agency banking implementation and the challenges there of would help the banking sector forge a way forward.

The study would ensure that notions of social and environmental benefit are better understood by stakeholders and particularly by consumers and also ensure that the public gains an awareness of sustainable development.

A general conceptual framework model would provide basic guidelines to scholars and academicians as it would act as a source of reference for future researchers who might be interested in carrying out a similar study.

1.8 Conceptual Framework

The figure below was used to determine the interrelationships amongst Perceived Usefulness, Perceived Ease of Use, Perceived risk and customer attitudes all as antecedents and are unidimensional variables with no constructs Hattie (1985), therefore independent variables.



Source: Developed by the researcher from reviewing past literature. Maziriri (2017), Azham (2016), Mostert (2012)

Description of the conceptual framework

According to the Technology Acceptance Model (TAM) posits that perceived ease of use and perceived usefulness determines one's intention to adopt usage of technology (Davis, 1986). TAM assumes that perceived ease of use other things being constant, the easier the technology is to use, the more useful it can be. In relation to the conceptual framework, an individual's decision to adopt an innovation is influenced by the individual's attitude on ease of use and usefulness (Davis, 1986).

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

2.1 Theoretical Foundation

This section seeks to analyse the present body of knowledge pertinent to the contextual scope of the study. Much of this chapter is dedicated towards giving insights into related studies based on perceived usefulness, perceived ease of use, perceived risk, customer attitudes and agency banking adoption. This study is anchored on the Technology Acceptance Model (TAM) advanced by David et.al in 1989.

2.1.1 Technology Acceptance Model

The Technology Acceptance Model (TAM) by Davis (1986) is model that explains why users accept or reject an innovation. Davis (1986) relying on other studies (Schultz & Slein, 1975; Robey, 1979) identified only two distinct salient beliefs applicable in the context of Information System and computer applications acceptance in general, that is, the perceived usefulness of an innovation and perceived ease of use of the innovation. According to Davis (1986) there is a relationship between the adoption of a new technology model and the perceived usefulness, perceived ease of use of the innovation, user's attitude towards the technology and the behavioural intentions of the user. Davis, Bagozzi & Warshaw (1989), developed this model further to be one of the most widely acknowledged models to explain the user acceptance of information systems. TAM is anchored on theories in the domain of social psychology. This model explores behavioural intentions to use information systems and also draws relationships between the main variable namely; perceived ease of use, perceived usefulness, and attitude of the user, behavioural intention and the adoption and usage of the system.

2.2 Perceived Usefulness and Agency Banking Adoption

Among the many variables that may influence use of a product or service, previous research suggests two determinants that are especially important (Lee, 2015). First, people tend to use or not use a system to the extent they believe it will help them perform their job better. This first variable is referred to as perceived usefulness. Second, even if potential users believe that a given system is useful, they may at the same time not adopt it in spite of careful implementation efforts. There are two main types of perceived usefulness and are categorized as intended and unintended rewards (Lee, 2015). Lee explained that the intended rewards are the immediate and tangible rewards that consumers enjoy using online banking services such as lower transaction fees, high deposit rates, opportunities to prizes among others. The unintended rewards on the other hand being those benefits that are palpable and tough to measure like services that allows customers to perform banking transactions anywhere in the globe. Perceived usefulness has long been found to have a significant influence on attitude and intention to use or adopt an innovation (Yuttapong et al., 2009; Sheikshoaei and Oloumi, 2011; Zhou, 2011). It is the extent to which a user believes that a particular system would improve their performance (Hosein, 2010). Under the Technology Acceptance Model, perceived usefulness has been found to significantly affect the acceptance of an information system (Pikkarainen et al., 2004).

Zahid et al., (2010) observed that people who adopt a particular system presume that the use of the information system in question would enhance their performance. They hence asserted that perceived usefulness was a very strong determinant of a customer's decision to adopt agency banking. In a study conducted in Singapore, Liao and Cheung (2002) sought to measure consumer attitudes towards the usefulness of and willingness to use internet retail banking and found that expectations of accuracy, security, network speed, user involvement,

and convenience and user friendliness were the major quality attributes underlying perceived usefulness. Similarly, using the TAM model, Al-Somali et al., (2004) also found that security; quality and awareness about a product and its benefits have significant relationship between perceived usefulness, perceived ease of use and agency banking adoption.

2.3 Perceived Ease of Use and Agency Banking Adoption

Research on the adoption of innovations also suggests a prominent role for perceived ease of use. Several researchers including Pikkarainen et al., (2004) and Hosein (2010) concur on the definition of perceived ease of use as the extent to which a person accepts that using a certain method would be free of effort and at no cost to him or her. Ramayah and Lo (2007) affirmed it as a term that represents the degree to which an innovation is perceived as easy to understand, learn or operate. AC Nielsen Consult (2002) noted that the drivers of growth in electronic banking are determined by the perceived ease of use, thereby making perceived ease of use a major factor affecting the acceptance of any information system. Moon and Kim (2000) buttressed this point when they revealed that ease of use and usefulness are believed to be essential in determining the acceptance and the use of a number of corporate information technology.

Determinants of ease of use have been noted to be closely associated with individual perceptions of complexity and, design of technology such as aesthetics and the ability of the component parts of a system to operate successfully together (Lichtenstein and Williamson, 2006). In a number of instances, complexity and design issues were found to have discouraged consumers from pursuing internet banking prompting Pikkarainen et al., (2004) to argue that any novelty perceived to be easier to use than another is more likely to be accepted by users. Thus how customers perceive the ease with which agency banking is used could impact on their acceptance of agency banking as an alternative delivery channels.

2.4 Perceived Risk and Agency Banking Adoption

Trust is professed to be of paramount interest when it comes to its influence it has on agency banking acceptance according to Suping&Yizheng (2010). But trust can be overcome if proper understandings of the factors that can upsurge customers trust for agency banking are well observed (Yap et al, 2009). Appropriate customer protection against risks of fraud, loss of privacy, and loss of service is needed for establishing trust among consumers as trust and customer confidence is the single most necessary ingredient for growth of any branchless banking model. Therefore, the perception of the risks regarding Agent banking and Electronic banking is expected to influence its adoption and further growth. The importance of security and privacy for the acceptance of branchless banking has been noted in many banking studies (Hernandez and Mazzon, 2007; Chen and Barnes, 2007; Hamlet and Strube, 2000; Tan and Teo, 2000; Polatoglu and Ekin, 2001; Black et al., 2002; Howcroft et al., 2002). To be more precise, lack of privacy and security were found to be significant obstacles to the adoption of branchless banking (Chen and Barnes, 2007). As the amount of products and services offered outside the bank grows rapidly, consumers are more and more concerned about security and privacy issues. A study by Hernandez and Mazzon (2007) indicate that privacy issues have proven important barriers to the use of branchless services.

2.5 Customer Attitude and Agency Banking Adoption

Munyoki and Eva (2014) observed that Customer driven factors such as customer intention drivers, customer attitude, ease of usage by customer, usefulness of the services to customer and customer trust respectively rated highly influencing adoption of branchless banking. As it was pointed out already, branchless banking is a new and emerging area of interest in the field of marketing research. Tan and Teo (2000) studied consumer intention and behavioural tendencies to use branchless banking services through attitude, subjective norms, and behavioural controls. Mols (1998) examined behavioural issues pertaining to branchless

banking, such as satisfaction, word of mouth; repurchase intentions, price sensitivity, propensity to complain, and switching barriers. Sathye (1999) examined the effects of security, ease of use, awareness, pricing, resistance, and infrastructure on adoption of branchless banking. Higher perceived trust is found to significantly enhance customers' adoption of branchless banking transactions (Mukherjee and Nath, 2003). According to a recent study of a medium-sized university town in New York State the majority of online bank users still prefer to have access to their branch banks and perform certain banking transactions there. It has been found that there is a strong preference for applying for a loan, handling CDs, handling investment, and purchasing insurance at a branch bank as opposed to branchless bank (Unsal et al., 2002).

In accordance with the McKinsey study of Asian consumers (Anonymous, 2001), paying bills (40%), transferring money (34%), inquiring about account balances (33%), checking financial news (17%), and comparing interest rates of different products (16%) are the most popular transactions conducted by agents (McKinsey Quarterly, 2001). A chronological analysis of the adoption of new banking technologies specifies that consumers are slow to respond but ultimately gravitate towards using services that provide meaningful benefits, particularly improved convenience. As banks have learned, however, most consumers continue to use multiple technologies. Very few consumers have completely abandoned visits to the branch. Thus, the expected operational savings are often a myth, not a truth. The introduction of agency banking has followed the same pattern as ATMs, call centres, and voice response units. Heavy initial investments, slow adoptions, and only minimal savings due to expanded use of multiple channels have been reported (Sarel and Marmorstein, 2004). Another study, Howcroft et al. (2002) also indicated that consumer preferences reveal that they are not generally predisposed to change their behaviour radically and adopt widespread usage of branchless banking.

The degree to which a customer trusts the agency banking will be negatively influenced by the belief that he/she is operating in a high level of risk even though the risk level may be actually low (perceived risk). The existence of trust in a relationship is a kind of insurance against risks and unexpected behavior. Hence it can be concluded that users' intention to use agency banking services will positively influence its adoption.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section presents the research methods that will be used to carry out the study. It covers the research design, study population, sampling design, data collection methods, measurement of variables, reliability and validity tests, data analysis & tests and anticipated limitations.

3.1 Research Design

The researcher used a cross-sectional research design. This is a type of design where data is collected at one point in time. For this study, the researcher followed the cross-sectional research design because the design provides a snapshot of the distribution of factors and outcomes in the population at a specified period of time and the prevalence of the specific factors and outcomes that can be calculated for the population and the levels of exposure to factors and outcome status can be easily compared (Kothari 2014). The researcher adopted the quantitative approach. This is a kind of approach that enables the researchers to express their findings in numeric terms. This approach was adopted because the research objectives could be accurately answered following the quantitative approach.

3.2 Study Population

In this study, the target population was 122 bank agents who conduct agency banking for the 19 commercial banks that operate in Mbarara Municipality (Bank of Uganda Report, 2019). The unit of analysis was the Customers, bank Agents who offer agency banking services to customers of commercial banks in Mbarara Municipality were the units of identification while the unit of inquiry was selected bank customers who had transacted with bank agents.

3.3 Sampling Method, Procedure and Size

The researcher used purposive sampling to select two customers (respondents) from each

agent of the 19 commercial banks that operate in Mbarara Municipality. This would result into a target population of 244 respondents. A purposive sampling was used because it targeted characteristics of a population and the objectivity of the study (Ames,H.,Glenton, C. & Lewin,S, 2019). Using Krejcie and Morgan Tables (1970), a sample size of 148 respondents was arrived at as shown in the table below.

Table 1: Sample Distribution

Bank	No of Agents	Target Respondents	Sample Respondents
Post Bank	02	04	02
Stanbic Bank	20	40	24
Centenary Bank	35	70	42
Equity Bank	15	30	18
DFCU Bank	10	20	12
Absa Bank	03	06	04
Bank of Baroda	01	02	02
Bank of Africa	02	04	02
Cairo Int. Bank	02	04	02
CBA	01	02	02
Eco Bank	01	02	02
Finance Trust	03	06	04
Housing Finance	04	08	04
KCB	10	20	12
Tropical	03	06	04
UBA	02	04	02
Orient	02	04	02
DTB	05	10	06
GTB	01	02	02
Total	122	244	148

Source: Primary Data, 2019

3.4 Sources of Data

3.4.1 Primary Data

Primary data was obtained from commercial bank customers who transact with bank agents in Mbarara Municipality. These customers (respondents) filled in the questionnaires administered to them. The key data collection instrument that was used was the questionnaire. The questionnaire was used in light of the fact that the data was to be gathered from a large sample in a brief time frame since the respondents were able to read and compose (Bill, 2011). The questionnaire comprised of closed-ended questions purely

structured in nature whose variables were measured on a 5-point Likert scale (5 strongly Agree, 4 Agree, 3 Not sure, 2 Disagree and 1 strongly Disagree).

3.5 Measurement of Variables

As explained in the conceptual framework, perceived usefulness, perceived ease of use, perceived risk and customer attitude were uni-dimensional variables with no constructs and were the antecedents to agency banking adoption therefore, independent variables while agency banking adoption was the dependent variable. These variables were anchored on a 5 point Likert scale ranging from 1= Strongly Disagree to 5 = Strongly Agree. The respondents were required to indicate the extent to which they were in agreement with the prescribed items and this helped to measure the perceptions and attitudes of these respondents.

Table 2: Measurement of Variables

Concept	Definition, measurement & operationalization of variable	Author (s)
Perceived Usefulness	It is the extent to which a user believes that a particular system would improve their performance in terms of performing their job better and meeting their expectations anchored on a five-point Likert Scale.	(Hosein, 2010; Oloumi, 2011; Zhou, 2011)
Perceived Ease Of Use	The degree in which an innovation is perceived as relatively easy to understand and use. It is measured in terms of individual perceptions of complexity, design and the ability to operate successfully based on a five-point Likert Scale.	(Pikkarainen et al., 2004; Hosein, 2010; Lichtenstein and Williamson, 2006)
Perceived Risk	Perceived risk is about how uncertain the user of agency banking thinks it is in carrying out their bank transactions.	(Suping H, &Yizheng S, 2010)
Customer Attitudes	Customer attitudes refer to consumer intentions and behavioral tendencies towards the use a particular service. Respondent were be asked expected satisfaction, turnaround time sensitivity, agency product variety, among others anchored on a five-point Likert Scale.	(Munyoki and Eva, 2014; Tan and Teo 2000)
Agency Banking Adoption	Willingness to use and benefits derived from using Agency Banking services respectively. Anchored on a five-point Likert Scale.	Rogers (2003)

Source: Secondary Data, 2019

3.6 Reliability and Validity Tests

Reliability

This assesses the extent to which the factors in a questionnaire generate consistent responses over several trials with different populations in the same setting or circumstances (Miles & Huberman, 1994). Reliability test indicated the extent to which the questionnaire was without bias or error free, and hence ensured consistent measurement across time and across the various factors in the questionnaire. In this study, Cronbach's alpha coefficient was employed to determine the internal consistency of the 5-point scale used to measure the items of the study variables (Cronbach, 1951). According to Field (2006), a certain number of items found to affect the reliability of the scales should be deleted to improve the reliability. According to Sekaran (2003), some professionals as a rule of thumb, require a reliability of 0.70 or higher (obtained on a substantial sample) before they use an instrument. Upon performing the test, the results that would be 0.7 and above would be considered reliable.

Validity

It is the extent to which research instruments measure what they are intended to measure (Saunders et al., 2003). According to Sekaran (2000), content validity test ensured that the measures included an adequate and representative set of items that tapped the concept. The more the scale items represented the domain of the concept being measured, the greater the content validity. The test was conducted at the questionnaire development stage where the draft questionnaire was given to four different experts (2 academicians and 2 practitioners) to assess the appropriateness of the items to capture the study variables. Validity was determined using content Validity Index (CVI).

$$\text{CVI} = \frac{\text{Number of items rated relevant}}{\text{Total number of items}} \times 100\%$$

As recommended by Saunders et al. (2003), for the instrument to be valid, the CVI should be at least 0.7.

Table 3: Reliability and Validity Tests

Variable	Content Validity Index (CVI)	Cronbach Alpha Coefficient (α)	Number of Items
Perceived Usefulness	0.838	0.841	10
Perceived Ease of Use	0.921	0.728	10
Perceived Risk	0.848	0.936	10
Customer Attitude	0.854	0.909	10
Agency Banking Adoption	0.785	0.846	10

Sources: Primary Data, 2020

3.7 Data Processing, Analysis and Presentation

Data collected from the field was tabulated, sorted, edited, classified and coded into a coding sheet. The cleaned data was summarized and converted into frequencies and percentages using the category system. The researcher then used the latest version of Statistical Package for Social Scientists to (SPSS) version 21, to analyse the data collected. The data analysed was presented using frequency distribution tables for easy interpretation. Pearson's Correlation Coefficients was run to establish the relationship among the study variables as set in the objectives.

Under the data processing, the following testes were carried out;

Data Cleaning

This step involved checking for missing values and outliers. It involves detecting and correcting or removing corrupt or inaccurate records from a record set, table, or database and refers to identifying incomplete, incorrect, inaccurate or irrelevant parts of the data and then replacing, modifying, or deleting the dirty or coarse data. After cleansing, a data set should be consistent with other similar data sets in the system (Van den Broeck J. et al, 2005). The inconsistencies detected or removed may have been originally caused by user entry errors, by

corruption in transmission or storage, or by different data dictionary definitions of similar entities in different stores.

Detection of Outliers

Outliers are values that are out of the range compared to the measurement scale (Field, 2009). An outlier check was conducted using minimum and maximum frequency counts, means and scatter plots. A few identified outliers were due to data entry error and they were traced and corrected.

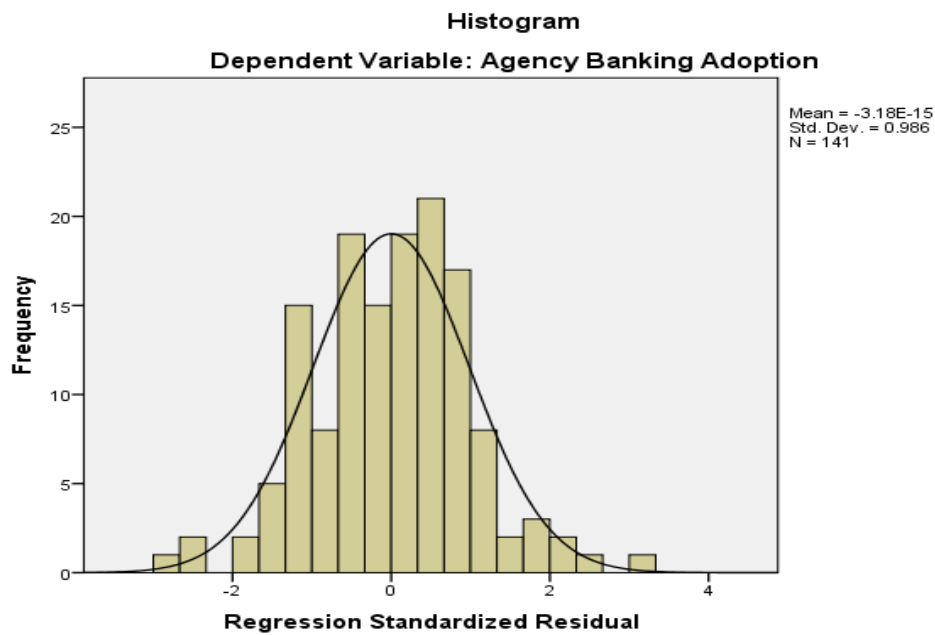
Missing value analysis (MVA)

MVA helped to address several concerns caused by incomplete data (Field, 2009). Thus, MVA in this study was performed to establish whether there was any missing value and the respective magnitude of how data was missing and deciding how to deal with the missing values. Also, missing data may reduce the precision of calculated statistics because there is less information than originally planned. After running descriptive statistics, the missing data was identified, and it was established that the omissions were made by respondents and not at data entry point. It was further established that the missing data constituted less than 1% of the data; and thus, considered too small and could not suppress the standard deviation (Field, 2009). Nonetheless, the missing data were replaced using the linear interpolation method.

3.7.1 Normality Assumption Test

A normality test was conducted to determine whether the distribution of the data deviates from a comparable normal distribution. Tabachnick and Fidell (2001, pg.73) recommend inspecting the shape of the distribution (e.g. using a histogram). Thus, graphically, normality in this study was tested using histograms. A bell-shaped histogram indicates that data is normally distributed. The results in this study revealed a fairly bell-shaped histogram, thus upholding the normality assumption.

Fig. 2: Histogram showing results on normality test

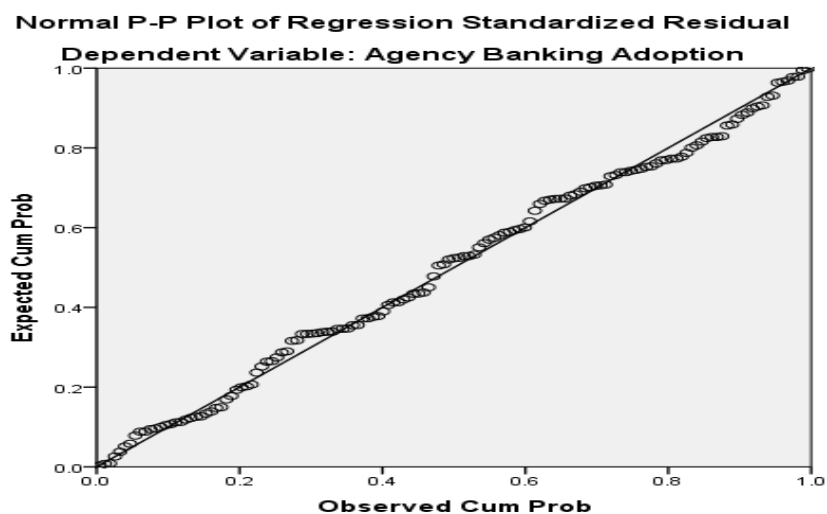


Source: Primary data, 2020

3.7.2 Linearity Assumption Test

Linearity refers to the presence of a straight-line relationship between two variables. Graphically, linear data is obtained when the scores are seen to be in the form of fairly straight line, not a curve. A normal probability plot (normal Q-Q plot) was used in this study to plot the residual against the predicted scores. The results in fig 3 revealed a fairly straight line thus the data passed the linear assumption test.

Fig. 3: Normal Q-Q plot showing results on linearity test

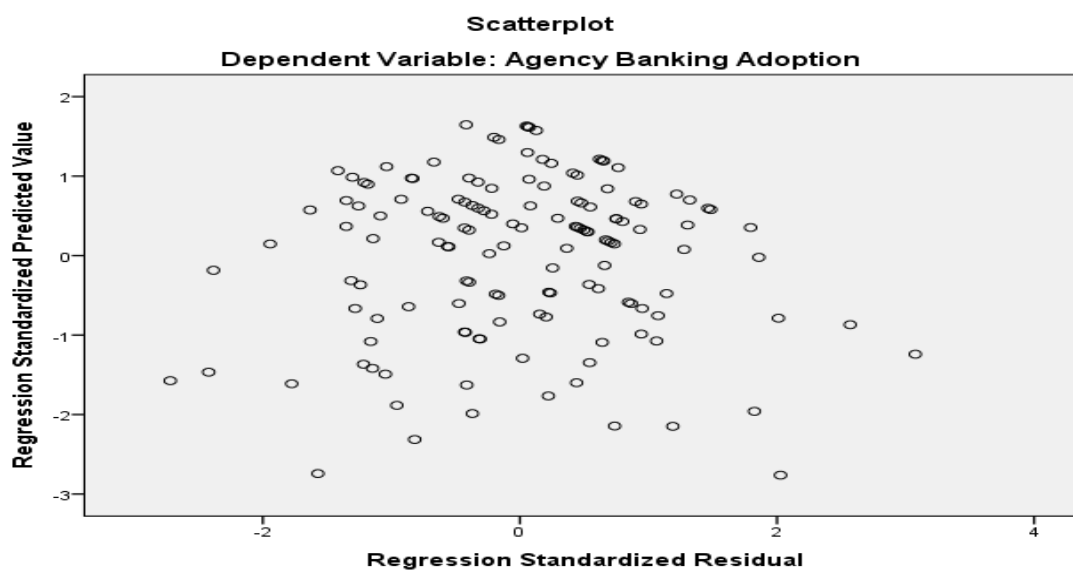


Source: Primary data, 2020

3.7.3 Homogeneity Assumption Test

Data is said to be homogeneous if the variance of one variable is stable at all levels of the other variables (Field, 2009). Graphically, a scatter plot was drawn plotting the residual against the dependent variable. The results of the scatter plot (figure 4) shows that the points are dispersed around zero and there is no other clear trend in the distribution; an indication that homogeneity assumption was met.

Fig. 4: Scatterplot showing results on homogeneity test



Source: Primary data, 2020

3.7.4 Multicollinearity

Multicollinearity exists if the regressors correlate highly when regressed against each other. A collinearity diagnostic test under regression analysis was utilized. Under this procedure, two values are given, the tolerance and the variance inflation factor (VIF). The tolerance value is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model. The VIF is the inverse of the tolerance value. Basing on the tolerance figures, various scholars indicate different cut off points for the accept/reject standard. According to Menard (1995), if the tolerance values are below 2, that shows the existence of multicollinearity. While VIF values above 10 indicate

serious concern (Myers, 1990; Bowerman & O’Connell, 1990). The results in this study reveal tolerance values one (1). This is supported by VIF values below 10, therefore implying non-multicollinearity among the variables, and thus the assumption was met (tolerance value above 2 and VIF below 10). As indicated in the table 4 below;

Table 4: Variance Inflation Factor

<i>Collinearity Statistics</i>		
<i>Variable</i>	<i>Tolerance</i>	<i>VIF</i>
Perceived Usefulness	.689	1.452
Perceived Ease of Use	.773	1.293
Perceived Risk	.696	1.437
Customer Attitude	.817	1.224

Dependent Variable: Agency Banking Adoption

Source: Primary data, 2020

3.8 Ethical Considerations

The researcher acquired an introduction letter from the University together with the identity card that was presented to the organizations under study as well as the respondents. Assurance was made to management and staff that the information needed was for academic purposes and would be handled with confidentiality. The assent issue was resolved by obtaining an informed consent informing target respondents of the purpose of the study, the expected participation from them and any other information about the research that they would want to know. Confidentiality of the respondents was paramount except in the case where they would give permission to be cited in the study.

CHAPTER FOUR
PRESENTATION OF RESULTS AND FINDINGS

4.0 Introduction

This chapter presents the findings of the study generated from data analysis and relevant interpretations in relation to the objectives of the study and the research questions. It includes descriptive statistics, Pearson correlations and multiple regression analysis. The results were presented in an effort to satisfy.

4.1 Background Characteristics of the respondents

The Background included organizational and individual characteristics as explained below;

4.1.1 Distribution by Gender of the respondents

The Gender of the respondents was distributed as indicated in table 5 below;

Table 5: Gender of the respondents

<i>Item</i>	<i>Frequency</i>	<i>Percent</i>
Male	87	61.7
Female	54	38.3
Total	141	100.0

Source: Primary Data, 2020

The results in table 5 indicate that majority of the respondents were male (61.7%) and the female were 38.3%. this implies that men tend to engage in banking with agent bankers than women, that means that more men can trust agent bankers than women.

4.1.2 Distribution by the age of the respondents

The age of the respondents was distributed as indicated in table 6 below;

Table 6: Age of the respondents

<i>Item</i>	<i>Frequency</i>	<i>Percent</i>
18-27	22	15.6
28-37	53	37.6
38-47	46	32.6
48-57	20	14.2
58 and above	0	0.0
Total	141	100.0

Source: Primary Data, 2020

The results in table 6 indicate that majority of the respondents were between 28-37 years of age (37.6%), these were followed by those between 38-47 years (32.6%) and the least group were those between 48-57 years (14.2%) and the results indicate that there was agent banker customers above 58 years old (0.0%). This implies that the youth tend to trust agent banking since they are more intelligent in internet banking and use of digital banking and they are in position to use agent bankers than old customers who are not aware of the changing world.

4.1.3 Distribution by the level of education

The level of education of the respondents was distributed as indicated as indicated in table 7 below;

Table 7: Level of education of the respondents

<i>Item</i>	<i>Frequency</i>	<i>Percent</i>
PLE	22	15.6
O-Level	21	14.9
A-Level	57	40.4
Diploma	26	18.4
Degree and above	15	10.6
Total	141	100.0

Source: Primary Data, 2020

The results in table 7 indicate that majority of the respondents had A-level certificate (40.4%), these were followed by those with diploma (18.4%) and the least group had a degree or any qualification above a degree like master’s degree (10.6%). This implies that majority of the customers who are using agent bankers are those who have studied and there few of those who have not attained high levels of education, and those who are highly educated tend to go to the bank directly than using agent bankers since some of them have a lot of money and don’t wish to use agent bankers.

4.1.4 Distribution by the time period spend in Agent banking

The time period spent by the respondents in agent banking was distributed as indicated in table 8 below;

Table 8: Time period spent by respondents in using agent banking

<i>Item</i>	<i>Frequency</i>	<i>Percent</i>
Less than a year	59	41.8
1 – 5 years	82	58.2
5 – 10 years	0	0.0
10 above years	0	0.0
Total	141	100

Source: Primary Data, 2020

The results in table 8 indicate that majority of the respondents had spent 1-5 years (58.2%), these were followed by those who had spent less than a year (41.8%) and the results further indicate that there was no one who had spent above 5-10 years and 10 years and above (0.0%). This implies that majority of the customers had not used agent bankers since they have just been introduced and some of the customers haven’t been conversant with agent bankers.

4.2 Pearson Correlation results

Pearson's Correlation analysis was conducted to measure the strength of linear associations between the study variables and is denoted by r . The Pearson correlation coefficient, r , can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association; that is, as the value of one variable increases, so does the value of the other variable.

Table 9: Correlation results

<i>Variables</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Perceived Usefulness(1)	1				
Perceived Ease of Use(2)	.472**	1			
Perceived Risk(3)	.392**	.237**	1		
Customer Attitude(4)	.094	.085	.421**	1	
Agency Banking Adoption(5)	.570**	.278**	.722**	.456**	1

** . Correlation is significant at the 0.01 level (2-tailed), $n=141$

Source: Primary Data, 2020

4.2.1 Relationship between perceived usefulness and Agency Banking Adoption

The results in table 9 indicate that there is a positive significant relationship between perceived usefulness and Agency Banking Adoption ($r=.570^{**}$, $p \leq .01$). This means that any positive change in perceived usefulness would result in to improved agency Banking Adoption. In other words, improvement in understanding of the benefits of using agency banking and the cost affective of the agency banking, it would result in to Agency Banking Adoption.

The Results are in agreement with the findings of Lee, (2015) who found out that people tend to use or not use a system to the extent they believe it will help them perform their job better. This first variable is referred to as perceived usefulness. Second, even if potential users believe that a given system is useful, they may at the same time not adopt it in spite of careful

implementation efforts. There are two main types of perceived usefulness and are categorized as intended and unintended rewards. Lee explained that the intended rewards are the immediate and tangible rewards that consumers enjoy using online banking services such as lower transaction fees, high deposit rates, opportunities to prizes among others. The unintended rewards on the other hand being those benefits that are palpable and tough to measure like services that allows customers to perform banking transactions anywhere in the globe. Perceived usefulness has long been found to have a significant influence on attitude and intention to use or adopt an innovation (Yuttapong et al., 2009; Sheikshoaei and Oloumi, 2011; Zhou, 2011). It is the extent to which a user believes that a particular system would improve their performance (Hosein, 2010).

4.2.2 Relationship between perceived ease of use and Agency Banking Adoption

The results in table 9 indicate that there is a positive significant relationship between perceived ease of use and Agency Banking Adoption ($r=.278^{**}$, $p\leq.01$). This means that any positive change in perceived ease of use would result in to Agency Banking Adoption. This further implies that when Agent bankers provide assistance while transaction and are in position to understand how transaction are conducting with bank agents, it would result in to Agency Banking Adoption.

Results differ with Moon and Kim (2000) buttressed this point when they revealed that ease of use and usefulness are believed to be essential in determining the acceptance and the use of a number of corporate information technology. Determinants of ease of use have been noted to be closely associated with individual perceptions of complexity and, design of technology such as aesthetics and the ability of the component parts of a system to operate successfully together (Lichtenstein and Williamson, 2006).

4.2.3 Relationship between perceived risk and Agency Banking Adoption

The results in table 9 indicate that there is a positive significant relationship between perceived risk and Agency Banking Adoption ($r=.722^{**}$, $p\leq.01$). This means that any positive change perceived risk would result in to improved agency Banking Adoption. This further implies that when Agent bankers feel safe and secure while banking with an agent and have trust that bank agents can keep their money; it would result in to Agency Banking Adoption.

These Results are in line with the findings of Suping&Yizheng (2010) who found out that Trust is professed to be of paramount interest when it comes to its influence it has on agency banking acceptance according to. But trust can be overcome if proper understandings of the factors that can upsurge customers trust for agency banking are well observed (Yap et al, 2009). To be more precise, lack of privacy and security were found to be significant obstacles to the adoption of branchless banking (Chen and Barnes, 2007).

4.2.4 Relationship between customer attitude and Agency Banking Adoption

The results in table 9 indicate that there is a positive significant relationship between customer attitude and Agency Banking Adoption ($r=.456^{**}$, $p\leq.01$). This means that any positive change customer attitude would result in to agency Banking Adoption. This further implies that when customers take time to transact with agents and find it easy to visit the bank and queuing up, it would result in to Agency Banking Adoption.

The result is also in line with Mols (1998) who examined behavioral issues pertaining to branchless banking, such as satisfaction, word of mouth; repurchase intentions, price sensitivity, propensity to complain, and switching barriers. Sathye (1999) examined the effects of security, ease of use, awareness, pricing, resistance, and infrastructure on adoption

of branchless banking. Higher perceived trust is found to significantly enhance customers' adoption of branchless banking transactions (Mukherjee and Nath, 2003).

4.3 Regression analysis

Hierarchical linear regression analysis was used to determine the percentage contribution of each of the independent variable on the dependent variable and also to confirm the relationship between the study variables. That is relationship between perceived ease of use, perceived usefulness, customer attitude and perceived risk with Agency Banking Adoption.

Table 10: Hierarchical Regression Results

	Model 1	Model 2	Model 3	Model 4	Tol	VIF
Perceived Usefulness	.570**	.564**	.352**	.372**	.689	1.452
Perceived Ease of Use		.012	-.028	-.033	.773	1.293
Perceived Risk			.590**	.492**	.696	1.437
Customer Attitude				.217**	.817	1.224
Model summary						
R	.570	.57	.787	.811		
R ²	.325	.325	.619	.657		
Adj R ²	.320	.315	.601	.647		
R ² change	.325	.000	.294	.039		
F-stat	66.866	0.021	105.545	15.295		
Sig	.000	0.884	.000	.000		

****. Correlation is significant at the 0.01 level (2-tailed), n=141, Dependent variable – Agency Banking Adoption.

Sources: Primary Data, 2020

In order to determine the predictive potential for each of the independent variable we entered variables in model I to 4 and the findings are indicating that variance inflation factor is less than 10 and tolerance values are above 1.2 which means that there is no multicollinearity problem with among independent variables. And the results are as follows.

The results in table 10 indicate that the perceived usefulness explain 32.5% ($R^2\Delta=.325$) of the variations in Agency banking adoption. In addition, the results indicate that a unit increase in perceived usefulness will result in to 0.372 units increase in agency banking adoption ($\beta = 0.372, P\leq 0.01$). The results in table 9 indicate that perceived ease of use contributes 0.0% change in agency banking adoption. The results under this variable indicate that perceived ease of use is an insignificant variable which implies that it does not affect agency banking adoption since its probability value (P-Value) is greater than the acceptable value of less or equal to 0.05. The addition of perceived risk in model 3 indicate that the variable explains 29.4% ($R^2\Delta=.294$) of the variations in agency banking adoption. In addition, the results indicated that a unit increase in perceived risk would result in to 0.492 units ($\beta = 0.492, P\leq 0.01$) increase in agency banking adoption. Furthermore, the results in model 4 indicate that addition of customer attitude in the mode explain 3.9% ($R^2\Delta=.039$) of the variations in agency banking adoption. In addition, the results indicated that a unit increase in customer attitude would result in to 0.217 units ($\beta = 0.217, P\leq 0.01$) increase in agency banking adoption.

Finally the variables entered in the model explain 64.7% of the variations in agency banking adoption which means that 35.3% is explained by variables not considered in this study. But considering the four predictors, the results indicated that perceived usefulness and perceived risk explain greater variation in agency banking adoption than customer attitude and perceived ease of use doesn't have any effect on customers adoption of commercial banks that offer agency banking in the area.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses all the findings reported in chapter four based on the research questions and objectives, the discussion of findings is also based on the literature available in chapter two, draws conclusions and suggests recommendations for the findings, limitations of the study and also proposes some areas for further research.

5.1 Discussion of Results

The discussions of results were based on the objectives and findings of the study as below;

5.1.1 Perceived usefulness and Agency Banking Adoption

The Pearson (r) correlation coefficient indicates a significant positive relationship between perceived usefulness and adoption of agency banking by customers of commercial banks. This implies that the when customers perceive the usefulness of the agent bankers, it will increase the number of customers who adopt agency banking. In addition, when customers understand the benefits of agency banking, which may include; helping customers to do banking better, saving them from long bank queues, doing their banking conveniently, doing the work cost effectively and serving customers at any time of the day (day and night), this will encourage more customers to adopt the use of agency banking. Furthermore, when customers find agency banking providing all the products of the bank and if they can find better customer care provided by the agency bankers, this will increase the number of customers who can adopt the use of agency banking.

The findings are in agreement with the findings of Lee, (2015) who found out that people tend to use or not use a system to the extent they believe it will help them perform their job better. This first variable is referred to as perceived usefulness. Second, even if potential users believe that a given system is useful, they may at the same time not adopt it in spite of

careful implementation efforts. There are two main types of perceived usefulness and are categorized as intended and unintended rewards. Lee explained that the intended rewards are the immediate and tangible rewards that consumers enjoy using online banking services such as lower transaction fees, high deposit rates, opportunities to prizes among others. The unintended rewards on the other hand being those benefits that are palpable and tough to measure like services that allows customers to perform banking transactions anywhere in the globe. Perceived usefulness has long been found to have a significant influence on attitude and intention to use or adopt an innovation (Yuttapong et al., 2009; Sheikhshoaei and Oloumi, 2011; Zhou, 2011). It is the extent to which a user believes that a particular system would improve their performance (Hosein, 2010). Under the Technology Acceptance Model, perceived usefulness has been found to significantly affect the acceptance of an information system (Pikkarainen et al., 2004). Zahid et al., (2010) observed that people who adopt a particular system presume that the use of the information system in question would enhance their performance.

5.1.2 Perceived Ease of Use and Agency Banking Adoption by customers of commercial Banks

The findings of the study indicate an insignificant negative relationship between Perceived Ease of Use and Agency Banking Adoption by customers of commercial Banks. This was confirmed by the regression results even though the Pearson correlation results were positive and significant. these findings implies that customers are not sure of the use friendliness of the agent banking, they are not sure of the assistance provide assistance while transacting, they are not sure of how transactions are conducted with bank agents and customers may not be having any understanding of the transactions with agents, this may be the reason why the results are insignificant and they don't make any significant sense. These findings indicate

that perceived ease of use may not explain any variations in adoption of agency banking by customers of commercial Banks.

The same findings differ from the findings by Ramayah and Lo (2007) affirmed it as a term that represents the degree to which an innovation is perceived as easy to understand, learn or operate. AC Nielsen Consult (2002) noted that the drivers of growth in electronic banking are determined by the perceived ease of use, thereby making perceived ease of use a major factor affecting the acceptance of any information system. Findings also differ with Moon and Kim (2000) buttressed this point when they revealed that ease of use and usefulness are believed to be essential in determining the acceptance and the use of a number of corporate information technology. Determinants of ease of use have been noted to be closely associated with individual perceptions of complexity and, design of technology such as aesthetics and the ability of the component parts of a system to operate successfully together (Lichtenstein and Williamson, 2006).

5.1.3 Perceived Risk and Agency Banking Adoption by customers of commercial Banks

The findings of the study indicate a significant positive relationship between perceived risk and adoption of agency banking by customers of commercial banks. This implies that the when customers of commercial banks understand that the use of agent bankers is less risky, it will increase the adoption of agency banking services. In addition when customers feel safe and secure while banking with an agent, trust bank agents with my money, agency banking gives them privacy and agent bankers are in position keep customers' bank information confidentially. Furthermore, when customers trust that bank agents cannot disappear with my money, they are in position to have safe custody of customers' money and do that that all agent bankers are authorized, this will increase the adoption of agency banking. Finally when agents operate in secure places, when customers can trust that there is accuracy in posting transactions by agents and when customers can trust that erroneous transactions by agents can

be traced and reversed, one all is in the minds of the customers, it will increase the adoption of agency banking.

These findings are in line with the findings of Suping&Yizheng (2010) who found out that Trust is professed to be of paramount interest when it comes to its influence it has on agency banking acceptance according to. But trust can be overcome if proper understandings of the factors that can upsurge customers trust for agency banking are well observed (Yap et al, 2009). Findings agrees that Appropriate customer protection against risks of fraud, loss of privacy, and loss of service is needed for establishing trust among consumers as trust and customer confidence is the single most necessary ingredient for growth of any branchless banking model. Therefore, the perception of the risks regarding Agent banking and Electronic banking is expected to influence its adoption and further growth. The importance of security and privacy for the acceptance of branchless banking has been noted in many banking studies (Hernandez and Mazzon, 2007; Chen and Barnes, 2007; Hamlet and Strube, 2000; Tan and Teo, 2000; Polatoglu and Ekin, 2001; Black et al., 2002; Howcroft et al., 2002). To be more precise, lack of privacy and security were found to be significant obstacles to the adoption of branchless banking (Chen and Barnes, 2007).

5.1.4 customer attitude and Agency Banking Adoption by customers of commercial Banks

The findings of the study indicate a significant positive relationship between customer attitude and adoption of agency banking of commercial banks. This implies that the when customer's attitude about agency banking, this will result in to an increase in adoption of agency banking services. In other words, when customers pay attention to banking with agents, take their time to bank with agency bankers, find it uncomfortable banking with agent bankers, find a big different between agency banking and lining up in the commercial banks, this will increase their adoption of agency banking services. Furthermore, when customers

get extra benefits after banking with the agents, find agents taking less time to do any transaction, pay attention to information about agency banking, finding agency banking offering more products, find agency banking time saving and do believe in agency banking, this will increase customer adoption of agency banking.

The same findings were advocated by Munyoki and Eva (2014) who observed that Customer driven factors such as customer intention drivers, customer attitude, ease of usage by customer, usefulness of the services to customer and customer trust respectively rated highly influencing adoption of branchless banking. As it was pointed out already, branchless banking is a new and emerging area of interest in the field of marketing research. Tan and Teo (2000) studied consumer intention and behavioural tendencies to use branchless banking services through attitude, subjective norms, and behavioral controls. The result is also in line with Mols (1998) who examined behavioral issues pertaining to branchless banking, such as satisfaction, word of mouth; repurchase intentions, price sensitivity, propensity to complain, and switching barriers. Sathye (1999) examined the effects of security, ease of use, awareness, pricing, resistance, and infrastructure on adoption of branchless banking. Higher perceived trust is found to significantly enhance customers' adoption of branchless banking transactions (Mukherjee and Nath, 2003).

Finally the variables entered in the model explain 64.7% of the variations in agency banking adoption which means that 35.3% is explained by variables not considered in this study. But considering the four predictors, the results indicated that perceived usefulness and perceived risk explain greater variation in agency banking adoption than customer attitude and perceived ease of use doesn't have any effect on customers adoption of commercial banks that offer agency banking in the area.

5.2 Conclusion

The study aimed at establishing Antecedents to Agency Banking Adoption in the country.

The research was also in response to the gap in scholarly work in the area of Agency Banking Adoption.

Perceived usefulness was noted to be a significant predictor of adoption of agency banking by customers of commercial banks. These results were a confirmation of the Pearson correlation coefficient results and the regression analysis. This shows that when customers understand the benefits of agency banking, when agency banking helps customers to do banking better, when it can save them from long bank queues, when it saves them time, when it more convenient and when it cost effect, it will result in to improvement in adoption of agency banking.

Perceived ease of use as another construct was noted to be an insignificant predictor of adoption of agency banking by customers of commercial banks. Though the findings were significant under Pearson correlation results but they were not confirmed under regression results. This implies that perceived ease of use is a spurious dimension and cannot predict adoption of agency banking among customers of commercial banks.

Perceived risk as another construct was noted to be a significant predictor of Agency Banking Adoption by customers of commercial Banks. These results were a confirmation of the Pearson correlation coefficient and the regression analysis results. These show that perceived risk has a better contribution effect on Agency Banking Adoption by customers of commercial Banks. These results show that when customers trust bank agents with my money, agency banking gives them privacy and agent bankers are in position keep customers' bank information confidentially and when customers trust that bank agents cannot disappear with my money, this will improve adoption of agency banking by customers.

Customer attitude as another construct was noted to be a significant predictor of Agency Banking Adoption by customers of commercial Banks. These results were a confirmation of the Pearson correlation coefficient and the regression analysis results. These show that customer attitude has a better contribution effect on Agency Banking Adoption by customers of commercial Banks. These results show that when customers pay attention to banking with agents, take their time to bank with agency bankers, find it uncomfortable banking with agent bankers, find a big different between agency banking and lining up in the commercial banks, this will increase their adoption of agency banking services.

Regardless of these findings all the variables entered in the model explain 64.7% of the variations in agency banking adoption which means that 35.3% is explained by variables not considered in this study. But considering the four predictors, the results indicated that perceived usefulness and perceived risk explain greater variation in agency banking adoption than customer attitude and perceived ease of use doesn't have any effect on customers adoption of commercial banks that offer agency banking in the area.

5.3 Recommendations

From the findings which indicate a significant positive relationship between perceived usefulness and adoption of agency banking by customers of commercial banks, the commercial banks should promote the usefulness of the agency banking by advertising and sensitizing the public about the use of agency banking, since by knowing this information, it will indicate to them the reason as to why they should use agency banking, by clearly bring out the benefits to the customers and this will increase the use the adoption of agency banking among the customers of commercial banks.

From the relationship between perceived risk and adoption of agency banking by customers, the findings indicated a significant positive relationship between perceived risk and adoption of agency banking by customers of commercial banks, therefore Managers/owners of

commercial banks and other stakeholders should promote risk awareness which is involved in agency banking, by informing the customers through newspapers and radio announcements so that they can learn how to avoid the risks in the market places of agency bankers, and this will increase the adoption of agency banking among the customers of commercial banks.

The findings from the relationship between customer attitude and adoption of agency banking, the findings indicated a significant positive relationship between customer attitude and adoption of agency banking of commercial banks, Customer attitude can be increased by increasing awareness and doing some promotions about the agency banking and also increasing the products offered by the agency bankers which may include giving short term loans to customers and also account opening, this will increase customer adopting the use of agency bank services.

Ought to the findings from the relationship between perceived risk and Agency Banking Adoption that indicated a significant positive relationship between customer attitude and adoption of agency banking of commercial banks. This indicates that any positive change perceived risk would result in to improved agency Banking Adoption, Perceived risk can be mitigated by rust building among the customers as a major concern for the service providers while improving the usefulness of the system. In order to enhance trust in Agency Banking, trust-creating activities can be continuously pursued.

Ought to the findings from the relationship between perceived risk and Agency Banking Adoption that indicated a significant positive relationship between customer attitude and adoption of agency banking of commercial banks, if Perceived risk is mitigated then agency banking adoption would be achieved. Commercial banks should ensure security and privacy. Security features should be considered an important issue by banks because Agency banking

users are more favorably inclined towards using it when they perceive that the information provided during the banking transactions is secure, and third parties will not have access to it.

The findings of the study indicate an insignificant negative relationship between Perceived Ease of Use and Agency Banking Adoption by customers of commercial Banks. This was confirmed by the regression results even though the Pearson correlation results were positive and significant. These findings imply that customers are not sure of the user friendliness of the agent banking. If Bank managers can always monitor and evaluate the usage of the implemented technologies which can be done by identifying the number of customers using a given technology and how often it is used, with such a measure in place. Information Technology bank managers should therefore always get feedback on which technology that should be improved and then later plan for their business without wastage of resources.

Findings indicate that there is a positive significant relationship between customer attitude and Agency Banking Adoption. This means that any positive change in customer attitude would result in to agency Banking Adoption. Changing consumer attitudes towards Agency Banking should be put into consideration as Bank managers should place more emphasis on the awareness of Agency Banking adoption while educating individual customers on its existence and benefits. User awareness of Agency Banking services can be increased through putting in place community based workshops and through various social networks and channels, such as word of mouth and informal seminars before introducing or updating the technology.

Finally, the predictor variables in the study account for explain 64.7% of the variations in agency banking adoption which means that 35.3% is explained by variables not considered in this study. Thus, it is important to consider variety of factors than to focus only on the predictor variables in this study.

5.4 Limitations of the study

The targeted respondents were not achieved and this made the response rate below 100% targeted, this was caused by some respondents which didn't disclose some information because of fear as they took such information to be secrets of their respective institution. However, the researcher was carefully and tactfully interacted with respondents and managed to get the data of interest for the study.

Accessibility to many places was difficult due to rainy season which affected the collection of data. The researcher ended up visiting few places of agency bankers than those that he would have visited due to the interference by the rain. This reduced the number of respondents that the researcher had targeted to collect data from.

Limited willingness to respond to questionnaires by respondents because they found it as time consuming. The researcher tried to explain each question to simplify the complexity of the questions in the questionnaire but still some respondents didn't allow the researcher to collect data from them.

The discussed findings and their implication are obtained from one single study that examined Agency Banking Adoption and targeted respondents in Mbarara Municipality with a large percentage of the respondents being young adults. In order to reduce on the bias accruing from studying one district, future research can be extended to include more districts other than Mbarara Municipality.

5.5 Areas of further research

- i. The study revealed empirical evidence of the existence of the relationships mentioned in the preceding chapters. However, the study provided empirical evidence that Agency banking Adoption is not solely influenced by the variables included in the Model used in this study. This evidence is apparent in the correlation and regression

coefficients derived in the study. The results from the study indicated that the studied variables explain or predict 64.7% in the Agency Banking Adoption. It is therefore, recommended that further research be conducted to find out the actual effect of those variables to Agency banking Adoption.

- ii. The study adopted a cross sectional design where data is collected at one point in time and the findings from such studies are always limited to the current period only hence future studies should look at a longitudinal research design where adoption of agency banking by customers is monitored for a long period of time.
- iii. The study was restricted to a quantitative approach using a structured questionnaire to elicit information from the respondents meaning that other features that can be observed were not included in the findings and thus future research should incorporate qualitative factors using for example observations and interview guide.
- iv. The discussed findings and their implication are obtained from one single study that examined Agency Banking Adoption and targeted respondents in Mbarara Municipality with a large percentage of the respondents being young adults. In order to reduce on the bias accruing from studying one district, future research can be extended to include more districts other than Mbarara Municipality.
- v. In this study, the variables perceived usefulness, perceived risk, perceived and customer attitude contributed 64.7% towards adoption of agency banking among customers of commercial banks, further research should explore other determinants adoption of agency banking among the customers of commercial banks and if possible, variables that need to be combined with these variables in order to stimulate adoption of agency banking among the customers of commercial banks.

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APPENDIX 1: QUESTIONNAIRE

MAKERERE UNIVERSITY BUSINESS SCHOOL

Questionnaire for the Research Study on “**Antecedents of Agency Banking Adoption among commercial Bank customers in Mbarara Municipality**”

Dear Respondent,

I am Alinda Gilbert, a postgraduate student of Makerere University Business School conducting a research on “**Antecedents of Agency Banking Adoption among commercial Bank customers in Mbarara Municipality**”. Kindly answer these questions as objectively as possible so that the results of the data analysis are fairly accurate. All responses received will be treated with utmost confidentiality, and will only be for the purposes of this research work.

SECTION ONE: DEMOGRAPHICS OF RESPONDENTS

A1 Gender of respondent: 1) Male 2) Female

A2 Age of respondent: 1) 18-27 2) 28-37 3) 38-47 4) 48-57 5) 58+

A3 Respondent's level of Education:

1) PLE 2) O-Level 3) A-Level 4) Diploma 5) Degree and above

A4 For how long has this business been in existence?

1) Less than a year 2) 1 – 5 years 3) 5 – 10 years 4) 10 years & above

SECTION TWO: PERCEIVED USEFULNESS

This section contains questions about how you feel agency banking has helped you in your day to day transacting with the bank. In the tables below, the numbers 1-5 represent levels of agreement from strongly disagree to strongly agree. Please mark the given statements in the table below according to your level of agreement.

Levels of Agreement

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree				
1	2	3	4	5				
Perceived Usefulness				1	2	3	4	5
PU1	I know the benefits of using agency banking							
PU2	Agency banking helps me do my banking better							
PU3	Agency banking saves me from long bank queues							
PU4	Agency banking saves time							
PU5	I prefer banking with agents to visiting a bank branch							
PU6	Agency banking is more convenient							
PU7	Agency banking is cost effective							
PU8	I enjoy extended banking hours with agents							
PU9	Agency banking offers all bank products							
PU10	Agents have better customer care							

SECTION THREE: PERCEIVED EASE OF USE

This section contains questions about how easy you think the use of agency banking could be in carrying out your transactions. In the tables below, the numbers 1-5 represent levels of agreement from strongly disagree to strongly agree. Please mark the given statements in the table below according to your level of agreement.

Levels of Agreement:

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree				
1	2	3	4	5				
Perceived Ease of Use				1	2	3	4	5
PE1	I find banking with agents user friendly							
PE2	Bank agents provide assistance while transacting							
PE3	I understand how transactions are conducted with bank agents							
PE4	Agents provide solutions when I have queries							
PE5	The process of transacting with agents is easier than that of the bank							
PE6	I understand my transactions with agents							
PE7	The process of banking is transparent and understandable							
PE8	I easily get my bank statements from agents							
PE9	I have observed agents conduct transactions with ease							
PE10	I find it easier to transact with agents than the ATM machines							

SECTION FOUR: PERCEIVED RISK

This section contains questions about how risky you think the use of agency banking is in carrying out your transactions. In the tables below, the numbers 1-5 represent levels of agreement from strongly disagree to strongly agree. Please mark the given statements in the table below according to your level of agreement.

Levels of Agreement

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree			
1	2	3	4	5			
Perceived Risk			1	2	3	4	5
PR1	I feel safe and secure while banking with an agent						
PR2	I trust bank agents with my money						
PR3	Banking with an agent gives me privacy						
PR4	I trust that agents keep my bank information confidentially						
PR5	I trust that bank agents cannot disappear with my money						
PR6	I trust that bank agents have safe custody of the money						
PR7	Agents operate in secure places						
PR8	I trust that all bank agents are authorized						
PR9	I trust that there is accuracy in posting transactions by agents						
PR10	I trust that erroneous transactions by agents can be traced and reversed						

SECTION FIVE: CUSTOMER ATTITUDE

This section contains questions about an individual’s positive or negative behavior towards the use of agency banking. In the tables below, the numbers 1-5 represent levels of agreement from strongly disagree to strongly agree. Please mark the given statements in the table below according to your level of agreement.

Levels of Agreement

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree			
1	2	3	4	5			
Customer Attitude			1	2	3	4	5
CA1	I have paid attention to banking with agents						
CA2	I have taken time to transact with agents						
CA3	I am not comfortable visiting the bank and queuing up						
CA4	There is difference between banking with agents and going to the bank						

CA5	I do get extra benefit from banking with agents					
CA6	Agents take a little of time while transacting					
CA7	I have heard about agency banking and have given it attention					
CA8	Agency banking offers all products					
CA9	Agency banking is time saving					
CA10	I don't believe in agency banking					

SECTION SIX: AGENCY BANKING ADOPTION

This section contains questions about whether you are already using agency banking or not. In the tables below, the numbers 1-5 represent levels of agreement from strongly disagree to strongly agree. Please mark the given statements in the table below according to your level of agreement.

Levels of Agreement

Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree				
1	2	3	4	5				
Agency Banking Adoption				1	2	3	4	5
AB1	There are many bank agents around my work area							
AB2	There are observable long queues at agents shops							
AB3	Many of my colleagues use agency banking							
AB4	Agency banking has reduced bank queues							
AB5	I am already banking with bank agents							
AB6	I use agency banking more frequently							
AB7	In my observation, many agents are coming on board							
AB8	I feel that agency banking should have come long ago							
AB9	Many people say they use agency banking							
AB10	Banks refer us to agents							

Thank you very much for your time and responses

God bless you.

APPENDIX II: KREJCIE & MORGAN TABLE

<i>Table for Determining Sample Size of a Known Population</i>									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	370
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	226	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	380
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	254	2600	335	100000	384

Note: N is Population Size; S is Sample Size *Source: Krejcie & Morgan, 1970*

INTRODUCTION LETTER.



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Faculty of Graduate Studies & Research

August 28, 2020

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: ALINDA GILBERT MBA 2017/HD10/213U

The above named is a student of Makerere University Business School pursuing studies leading to the award of Master of Business Administration of Makerere University. He joined the School in 2017 and has completed the course work component of the program. He is currently carrying out research on the topic: **"Antecedents of Agency Banking Adoption among Commercial Bank Customers in Mbarara District.**

Any assistance rendered to him will be highly appreciated.

Thank you,

Nakiyingi Catherine
Faculty Admin

