

FACTORS THAT DETERMINE AGENCY BANKING ADOPTION IN THE NIGERIAN BANKING INDUSTRY

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Abstract

The aim of this paper is to examine the factors that determine agency banking adoption in Nigeria using an extended Technology Acceptance Model (TAM). The population of the study is 307,000 agent bank branches as report by Nigeria Inter-Bank Settlement System (NIBSS) in 2022. Krejcie and Morgan Table was employed to determine the appropriate sample size and arrives at 384 where convenient sampling technique was employed based on willingness and ability to participate. The collected data was analyzed and hypotheses were tested using Structural Equation Modelling with SmartPLS software. The finding revealed that perceived usefulness perceived trust and perceived risk have significant positive effect on agency banking adoption in Nigeria, whereas perceived ease of use was insignificantly related. It is then conclude that adopting agency banking is likely to grow as long as the service providers are eager to seek and address the consumers' financial needs through the agency services in a way that improve its usefulness, simplicity and minimize the applicable risks. In view of that, it is recommended that Nigerian government should create supportive regulatory environment by establishing clear guidelines, licensing requirement and consumer protection measures to ensure the safety, integrity and accessibility of hitch-free agency banking channels. Finally, banks should promote transparency and risk disclosure mechanisms in agency process in order to enable consumers make informed decisions.

Keywords: Agent banking; perceived usefulness; perceived ease of use, perceived risk and trust.

INTRODUCTION

Globally, innovative technologies and globalization has changed the mode of financial transaction especially in the banking industry and remained a key strategy for competitiveness, which makes it necessary for the banks to adopt advanced technologies (Patrick & Antanasius, 2023). Thus, there have been considerable technical advances in the banking sector where each customer can operate easily and in the shortest possible time and improve access to financial services especially in developing countries where majority of people have limited access to financial services (Ashiru et al., 2023). Therefore, conducting a financial transaction through an authorized agent to the remote areas is one of the new banking technologies required to offer many financial services to the customers without physical presence in the bank (Alam et al., 2020). In view of that, the current study considered perceived usefulness, perceived ease of use, perceived risk and perceived trust as determinants of agency banking adoption in Nigeria.

Extant research is divided into different views on which elements influence technology adoption (Hansen et al., 2018). One of the most widely used models to investigate an individual's adoption is the Technology Acceptance Model (TAM). However, scholars (such as Ventakesh

et al., 2007) have criticized TAM as being incomplete and overlooking important concepts. Indeed, Venkatesh et al. (2007) opined that, the study of key antecedents and various interventions are key indicators of scientific progress and practical applicability of technology adoption research as it deepens our understanding of the phenomenon and provides a trigger for managerial action. Hansen et al. (2018) believe that, insights can be gained by examining the integration of the two competing models in a manner that includes interaction effects of unique elements from the two competing approaches. In view of that, risk and perceived trust are contiguous concepts that have been frequently diagnosed as the key barriers to the adoption of e-banking services (Nouri & Soltani, 2019). They also proved that when mobile banking is perceived more risky than normal banking, the person's initial trust in the services is considered as a factor necessary for the use of mobile banking (Nouri & Soltani, 2019).

Perceived usefulness as the degree to which a person believes that using a particular technology that would enhance the productivity, it is described as an individual's level of confidence to assume that the use of a particular technology or service would be useful for him (Ghani et al., 2017). In addition, perceived ease of use is the extent to which one believes that understanding, using, and learning a new technology is simple, and customers believe that the use of technology in cyberspace is possible without physical and mental effort (Buicky et al., 2017). Hence, as their perception of the usefulness of the technology is greater, and they will have higher intention to use social media for business transactions (Nuryyev et al., 2020). Furthermore, perceived as the consumers' perception of the uncertainty of conducting financial transaction through electronic means, the subjectivity of expected loss by an agent bank user dent ones confidence to use the agent bank (Aboobucker & Bao, 2018). Moreover, perceived trust is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trust or, irrespective of the ability to monitor or control that other party (Beldad & Hegner, 2018). Thus, perceived trust is of high significance in reducing technological uncertainty and in generating a sense of safety.

Notwithstanding, even though transactions through agent provide numerous advantages to both financial institution and customers, there is a lack of trust among some public customers and absence of face-to-face interactions makes an impersonal setting (Musenga & Phiri, 2023). Thus, some customers are only comfortable with people in a physical banking setting that provide personal service in place of mechanical interaction. Hence, most customers have challenges trusting agent services especially for money related transactions (Bothma & Mostert, 2023). Furthermore, users who are not familiar with the eservices feel uncomfortable as they doubt accuracy with online transactions (Musenga & Phiri, 2023). Consequently, for one to be able to better forecast, assess and enhance user acceptance, the need to better understand why information systems are accepted or rejected is vital (Davis et al., 1989).

Furthermore, due to inherent challenges of agency banking system, inadequate awareness and preparation on the part of banks, government and agents, many businesses have found it tough to adequately adopt it for competitive strategies (Bothma & Mostert, 2023). In Nigeria, even though there are more banking agents today than it did in the last ten years, the country is still behind its Sub-Saharan African peers when it comes to agent banking technology adoption (Ericsson's Consumer and Market Insight Report, ECMIR, 2021). According to the report, although Nigeria made progress from 3 percent adoption rate in 2015 to 30 percent in 2021, the adoption rate is still far below some Sub-Saharan countries (such as Senegal with 75% adoption rate). The survey report shows that, Nigeria with 30 percent is far below Ghana's 90 percent, Ivory Coast's 79 percent and Angola's 47 percent. It is only Ethiopia with 8 percent that is far

below Nigeria's rate of adopting technological financial services base on the latest [Ericsson's report \(2021\)](#). It is based on that scenario; the researcher finds it worthy to investigate the factors that lead or determine the agency banking adoption in Nigerian context.

The insight from this study will help the banks to know the importance of agency banking in minimizing the cost of building major branch in remote areas and to weigh the cost and benefit of extending the agent banks branches. By agency banking, product and services can reach remote areas hence improving the performance of banks. Thus, this study benefits by explaining how these services can reach the remote areas in a cost effective way. Furthermore, this study explain how banks can improve their relationship with their customers that are far away from the banking premises through agency banking that can improve the customer loyalty and patronage. In literature, this study contributes by integrating perceived risk and trust to the TAM in determining agency banking adoption.

Nonetheless, plethora of researches attempted to investigate the factors that determine agency banking adoption among other technologies in different countries and under different scenarios in non-banking sector (such as [Ali & Anwar, 2021](#); [Nuryyev et al., 2020](#); [Buicky et al., 2017](#)). However, considering the rapid cybercrime and other financial crimes in Nigerian, not only the antecedents of TAM constructs can determine the financial technology adoption (such as agency banking) in the country. Consequently, the researcher was not able to identify a study that considers the direct effects of perceived risk and trust in combination with TAM constructs in determining technology adoption. Some studies (such as [Usman et al., 2020](#); [Alrahmi et al., 2019](#); [Ritz et al., 2018](#); [Ghani et al., 2017](#)) examined only TAM constructs. On the other hand, other studies used perceived risk (such as [Marriot & Williams, 2018](#); [Rind et al., 2017](#)) as well as perceived trust independently (eg. [Kamal et al., 2020](#); [Ho et al., 2017](#)). To the knowledge of the researcher, this study is the first to combine direct effect of perceived usefulness, perceived ease of use, perceived risk and perceived trust in determining agent banking adoption.

RESEARCH QUESTIONS

- i. Does perceived usefulness have significant effect on agency banking adoption in Nigeria?
- ii. Does perceived ease of use have significant effect on agency banking adoption in Nigeria?
- iii. Does perceived risk have significant effect on agency banking adoption in Nigeria?
- iv. Does perceived trust have significant effect on agency banking adoption in Nigeria?

LITERATURE REVIEW

Conceptual Framework

This segment presents the literature review that supports the conceptualization of the research content. The segment entails the concepts of agency banking, perceived usefulness, perceived ease of use, perceived trust and perceived risk. These concepts are categorically presented as follows;

Concept of Agency Banking

Agency banking platform is an alternative distribution strategy in which traditional retail banking use authorized agents to expand the reach of the branch network as it makes it possible

to reach more people and more locations, the agency banking strategy promotes financial inclusion (Adebayo, 2023). It is an arrangement by which licensed institutions engage third parties to offer certain banking services on their behalf (Alam et al., 2020). In another view, it refers to bank partnerships with nonbanks, typically retail commercial outlets, ranging from lottery kiosks, pharmacies, post offices, construction goods stores, and so forth, to provide distribution outlets for financial services (Santu et al., 2017). Consequently, an agency bank is an organization that acts in some capacity on behalf of another bank, it, thus, cannot accept deposits or extend loans in its own name; it acts as agent for the parent bank (Patrick & Athansius, 2023).

Concept of Perceived Usefulness

Perceived Usefulness (PU) is the degree to which an individual believes that using a particular system will enhance his or her job performance (Davies et al., 1989). This definition correlate the definition made by Bothma and Mostert (2023) who defined perceived usefulness as the degree to which a user of a technology believes that using a particular system would enhance his performance. Perceived usefulness is the extent to which a person believes that using a technology will enhance his performance (Natakusumah et al., 2023). It is a factor widely used in the process of IT as degree to which a consumer using new technology believe that using the technology would improve the work efficiency of that consumer (Hu et al., 2019).

Concept of Perceived Ease of Use

Perceived ease of use relates to the assessments made by individuals on the difficulty or ease of using a system with the focus on the process that leads to the outcome of using the specific system (Botham & Mostert, 2023). It is also the degree to which a person believes that using the technology will be free of effort (Nuryyev et al., 2020). Similarly, perceived ease of use is defined as the degree to which the user of technology believes that using a particular system would be free of effort (Isaac et al., 2017). Consequently, if users think that the technological services are convenient, friendly, and easy to operate, then users are more inclined to adopt them (Guo et al., 2023).

Perceived Risk

Perceived risk is the consumers' perception of adverse result of products and services (Zhang et al., 2019). It is the potential for loss in the pursuit of the desired outcome of using an e-service (Rind et al., 2017). Since, wireless media is used as a transmission medium for making financial transaction in, risk perception in consumer's mind is comparatively high (Zhang et al., 2019). Dutot et al. (2019) defined perceived risk as the user's subjective expectation of suffering a loss in pursuit of a desired outcome. It may be seen of as an individual's subjective belief and expectation of potential harm (i.e., loss or risk), resulting from a particular situation or a set of circumstances, and thus influence the process of decision-making (Ho et al., 2017).

Perceived Trust

Perceived trust refers to the degree to which the system performs as expected and reinforces the intention to use the system (Bothma & Mostert, 2023). Similarly, Marriot and William (2018) viewed it as the accumulation of consumer's believes of the integrity, benevolence and ability that enhance willingness to depend on the use of technology. On the other hand, perceived trust refers to users' overall perceived utility of objects (Hu et al., 2019). In this sense, intention to

trust is the product of cognitive processes, and the result of individual judgments or cognitive assessments that ascribe benefits and/or costs to potential outcomes of a particular behavior (Isaac et al., 2017).

Empirical Review

Numerous studies were conducted in the area of technology adoption in different contexts regarding different technologies. Notable among them include Ali and Anwar (2021), which examine the factors influencing citizens' acceptance of electronic government in Kurdistan region of Iraq from the survey of 256 citizens of Kurdish. Simple regression analysis was used to test the hypotheses. It was found that perceived usefulness and perceived ease of use have significant positive impact on electronic government acceptance. Contrarily, Rits et al. (2019) examine the factors that drive small businesses to integrate the do-it-yourself (DIY) behavior model and technology acceptance model (TAM). Data from 250 small business owners/managers who do their own digital promotion are collected through an online survey was obtained. Structural equation modeling was used for analysis. The study found that perceived usefulness and perceived ease of use revealed insignificant positive relationship with the adoption. Also, Huang et al. (2019) examine the antecedents that influence hotel consumer adoption of mobile app using TAM from the participants in the hotel industry. PLS-SEM was used for data analysis and found that perceived usefulness have a significant positive relationship, while perceived ease of use shows an insignificant negative relationship with intention to adopt mobile app technology in hotel industry.

Regarding the perceived risk, Rini and Kasanah (2021) investigated the factors that determine the intention to use online meeting applications during Covid-19 pandemic by extending technology acceptance model with the inclusion of perceived risk and other constructs. Data were obtained from 186 respondents and tested using PLS-SEM. It was found that, perceived ease of use, perceived risk, perceived innovativeness among others have a statistical significant relationship with an intention to adopt online meeting application during Covid-19. Contrarily, Richard and Mandari (2017) found an insignificant relationship between perceived risk and technology adoption by assessing key factors that influence the usage of mobile banking services in Tanzania using TAM and transaction theory from a survey of 120 mobile phone users collected through a structured questionnaire. Concerning the perceived trust, Aboobucker and Bao (2018) examined the determinants of customer acceptance of internet banking in Sri-Lanka. The study assimilates constructs such as security and privacy, perceived trust, perceived risk, and website usability. To test the conceptual model, the study collected 186 valid responses from customers who use Internet banking in Sri Lanka and tested using PLS-SEM. The findings show perceived trust and website usability are the possible obstructing factors that highly concerned by Internet banking customers. On the other hand, Usman et al. (2020) explored the role of trust, image, religiosity and technology acceptance model to adopt financial technology based on online surveys of 425 respondents. Multiple regression analysis was applied to test the hypotheses. The finding of the study revealed that, perceived ease of use and perceived usefulness has significant positive impact on attitude toward adopting financial technology. However, trust has an insignificant impact on attitude toward adopting a Fintech.

Theoretical Review

Technology Acceptance Model

Technology Acceptance Model (TAM) was developed by Davis in 1989, which is based on the

theory of reasoned action and theory of planned behavior to propose a causal relationship between beliefs, attitude, intentions, and behavior for explaining and predicting potential users' acceptance of new technology (Davis, 1989). According to Ho et al. (2017), the model was originally intended to make up for the defects of the theory of reasoned action (TRA) in 1986. It was proposed from the perspective of behavioral science, integrating expectation theory and self-efficacy theory, and is mainly used to study the behavioral intentions of individuals to use technology (Hu et al., 2019). The TAM model divides the factors affecting individual behavioral attitudes into perceived usefulness and perceived ease of use, which have a significant impact on the adoption of new technology (Hu et al., 2019). TAM is widely used by prior researchers in understanding and exploring the drivers of adoption of new technology by individuals and organizations (Roy et al., 2017). The model has been extensively used for understanding customers' beliefs towards adopting new technology (Ho et al., 2017).

This study underpins Technology Acceptance Model because the model provides a robust theoretical framework for determining the factors adopting agency banking particularly when considering elements like perceived risk and perceived trust. Regarding the perceived ease of use, the theoretical model provide basis that explores how the use of agency banking services impact users' perception of adoption taking into consideration factors such as user interface transaction process and overall usability. In addition, perceived usefulness in the context of agency banking adoption includes how users view the benefits and value of using the agency banking services. These improve the convenience, accessibility and features of agency banking contribute to users' perceive usefulness and consequently their adoption decisions.

Furthermore, TAM was extended to incorporate perceived risk as a critical factor influencing adoption by exploring the users' perception of risks associated with agency banking such as financial security, privacy concerns and transaction errors as well as how these perceptions impact their willingness to adopt the banking system. Moreover, TAM can also be enriched by including perceived trust as agency banking adoption by examining how users' trust in the security, reliability and integrity of agency banking services influence their acceptance.

METHODOLOGY

Design

This paper adopts cross-sectional, survey research design. It is a survey because it entails going to the field for data collection, while it is cross-sectional because it involves one time data collection. The population of this study is the total number of agent banking branches in Nigeria that are estimated to be three hundred and seven thousand (307,000) agent branches as of March 2021. The sample size of the study was determined using Krejcie and Morgan table of sample determination to arrive at 384 sample respondent, which were selected using convenient sampling technique in Bauchi state. Thus, the method of data collection was primary method using questionnaire, while the inferential analysis was done using Partial Least Square-Structural Equation Modelling (PLS-SEM).

Model Specification

$$ADP = \beta_0 + \beta_1PU_i + \beta_2PEOU_i + \beta_3PR_i + \beta_4PT_i + \epsilon$$

Where: ADP = Adoption of Agent Banking; PU = Perceived Usefulness; PEOU = Perceived Ease of Use; PR = Perceived Risk; PT = Perceived Trust and ϵ = error term.

RESULTS AND DISCUSSION

Presentation of Results

In this paper, structural equation modeling with the PLS-SEM approach was used to test the hypotheses proposed earlier. Consequently, there are two different stages of PLS-SEM. The first stage defines the connections among the exogenous latent constructs and their indicators or items and it refers to as measurement model (MM) which is also known as outer model, whereas the second one is the measurement of inner or structural model (SM) which defines the relation among endogenous and exogenous latent constructs (Hair et al., 2016). The measurement model was assessed using five criteria: 1) indicator reliability, 2) internal consistency reliability, 3) convergent validity, 4) discriminant validity, and 5) model fit evaluation, while the structural model was used for hypotheses testing.

Indicator Reliability, Internal Consistency Reliability and Convergent Validity

Table 1: Indicator Loadings, Composite Reliability, and AVE of Latent Constructs

Latent construct	Items	Item Loading	Composite Reliability	AVE
Adoption of Agent Banking	ADP1	0.616	0.814	0.569
	ADP2	0.734		
	ADP3	0.775		
	ADP4	0.812		
	ADP5	0.818		
Perceived Usefulness	PU1	0.786	0.813	0.598
	PU2	0.816		
	PU3	0.658		
	PU4	0.822		
Perceived Ease of Use	PEOU1	0.696	0.802	0.556
	PEOU2	0.769		
	PEOU3	0.755		
	PEOU4	0.701		
	PEOU5	0.802		
Perceived Risk	PR1	0.702	0.853	0.533
	PR2	0.775		
	PR3	0.628		
	PR4	0.782		
	PR5	0.774		
	PR6	0.798		
	PR7	0.630		
Perceived Trust	PT1	0.735	0.851	0.559
	PT2	0.645		
	PT3	0.825		
	PT4	0.742		
	PT5	0.728		
	PT6	0.796		

Source: Researcher's compilation with PLS-SEM 4.0

The outer loadings of each latent construct are used to assess the reliability, which should be greater than 0.70 (Hair et al., 2016). However, it is claimed that an indicator with the loading

of 0.4 could be retained if its deletion would reduce the composite reliability. Hence, the study retained the entire 27 items without deleting items, since none of the items has the loading below the threshold. Also, internal consistency was assessed using composite reliability in PLS based on the criteria that it should be 0.60 or more (Hair et al., 2013). Furthermore, convergent validity, which measures the extent of agreement among multiple items measuring a particular concept and the most commonly used measure of convergence validity is the Average Variance Extracted (AVE), with a minimum threshold of .5. Table 1 presents the results of indicator reliability, internal consistency reliability and convergent validity.

The indicator reliability of all the usable items in this study ranges from 0.616 TO 0.825, which are all within the threshold opined by Hair et al. (2016). Furthermore, for the composite reliability of all the latent constructs is displayed in Table 1, the values ranged from .802 to .853, which exceeded the minimum threshold of .60 for exploratory research, confirming that all the latent constructs had strong internal consistency. Average variance extracted values ranged from .533 to .598, which were also above the minimum threshold of .50, indicating that the constructs had strong convergence validity.

Discriminant Validity

Discriminant validity is the extent to which a particular latent construct differentiates itself from other constructs and it is computed to ensure that the scale used to measure a different construct is certainly measuring a distinct one (Saderst et al., 2021). Therefore, using Fornell-Larcker criterion, the discriminant validity of the variables was established through a comparison of the square roots of AVEs and the inter construct correlations between constructs. The outcome demonstrates that the measurement model of this study has achieved good discriminant validity.

Table 2: Discriminant Validity

	ADP	PE	PR	PT	PU
ADP	0.754				
PE	0.578	0.746			
PR	0.677	0.714	0.730		
PT	0.705	0.443	0.636	0.747	
PU	0.469	0.662	0.463	0.334	0.773

Source: researcher’s compilation in PLS-SEM 4.0

Given the values of the above table, the first value of the agent banking adoption square root extracted variance is 0.754, which is greater than all the values of the shared variance between agent banking adoption and perceived ease of use, perceived risk, perceived trust and perceived usefulness. For perceived ease of use, perceived risk, perceived trust and perceived usefulness the root extracted variance were 0.746, 0.730, 0.747 and 0.773, which were highly greater than the values obtained on its relationship of other constructs.

PLS-SEM Results of the Significance of Path Coefficients

The significance and relevance of PLS-SEM structural model were evaluated based on the t-statistics and p-values obtained using 10,000 bootstrapped samples in Smart PLS-4.

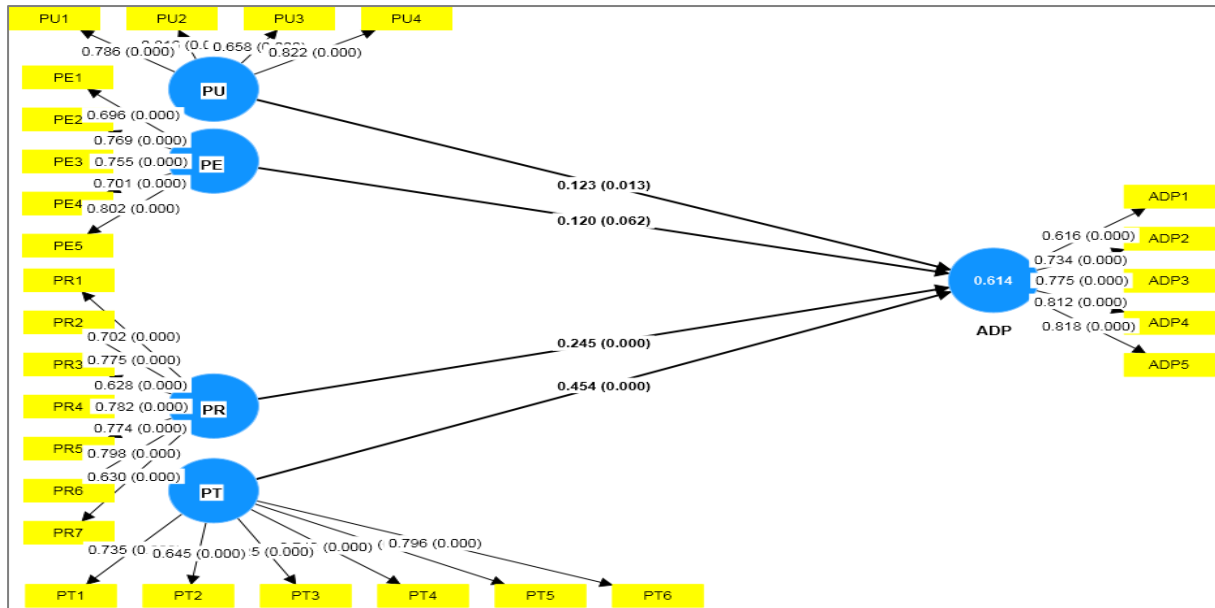


Figure 1: PLS-SEM Structural Model

Table 3: Structural Estimates

Hypotheses	Relationship	B	T statistics	P values	Decision
H1	PU -> ADP	0.123	2.486	0.013	Accepted
H2	PE-> ADP	0.120	1.463	0.062	Rejected
H3	PR -> ADP	0.245	3.748	0.000	Accepted
H4	PT -> ADP	0.454	7.868	0.000	Accepted

Note: Significant at the *p < 0.05 level; ** p < 0.01 level; and ***p < 0.001.

Discussion of Findings and Hypotheses Testing

Result discussion outlines the implication of the result as well as the justification of the findings with previous studies. The first objective of the study tests the effect of perceived usefulness on agency banking adoption. Evident from the PLS-SEM result, it was revealed that, there is significant positive relationship between perceived usefulness and agency banking adoption based on the coefficient and p-value of 0.123 and 0.013 respectively. This implies that the first null hypothesis, which stated the “perceived usefulness does not have significant effect on agency banking adoption in Nigeria” is rejected and therefore the alternate hypothesis is accepted. Accordingly, this result is in line with the finding [Ali and Anwar \(2021\)](#), which examine the factors influencing citizens’ acceptance of electronic government in Kurdistan region of Iraq and found significant positive relationship. It is also justified with [Koul and Eydgahi \(2018\)](#), which examined the relationship between perceived usefulness of driverless car technology, perceived ease of use of driverless car technology, where the correlation analysis shows perceived usefulness as a significant determinant of driverless car adoption.

In addition, the PLS-SEM result of the second objective found an insignificant positive association between perceived ease of use and agency banking adoption in Nigeria looking at the coefficient of 0.120 and p-value of 0.062. Based on that, the second null hypothesis, which stated the “perceived ease of use does not have significant effect on agency banking adoption in Nigeria” cannot be rejected and the alternate hypothesis is therefore rejected. In view of that, the result is supported with the outcome of [Huang et al. \(2019\)](#), which examine the factors that

influence hotel consumer behavioral intentions to adopt mobile app and found insignificant effect of perceived ease of use. Similarly, the result agrees with [Alrahmi et al. \(2019\)](#), which investigate the potential factors influencing students' behavioral intentions to use the e-learning system in Malaysia and found perceived ease of use to be insignificant determinant.

Furthermore, the PLS-SEM result surprisingly revealed a significant positive relationship between perceived risk and agency banking adoption based on the coefficient value of 0.245 and p-value of 0.000. Based on that, the third null hypothesis, which postulated the lack significant relationship between perceived risk and agency banking adoption is rejected and the alternate hypothesis is accepted. In view of that, the result of is in line with the finding of [Rini and Kasanah \(2021\)](#) investigated the intention to use online meeting applications during Covid-19 pandemic in Pakistan. The study found a significant positive relationship between perceived risk and online meeting application acceptance. The possible reason for the surprising result could be because users have no option but to use the agency banking service due to the similar perceived risk associated with the traditional and the necessity of using banking services. Thus, users are inclined to use the easier agent-banking channels despite the associated risks.

Lastly, the forth objective of the study tests the effect of perceived trust on agency banking adoption. The PLS-SEM result revealed that, there is significant positive relationship between perceived trust and agency banking adoption evident from the coefficient and p-value of .454 and 0.000 respectively. This implies that the fourth null hypothesis, which stated the “perceived trust does not have significant effect on agency banking adoption in Nigeria” is rejected and therefore the alternate hypothesis is accepted. Accordingly, this result is in line with the finding [Aboobucker and Bao \(2018\)](#), which examined the determinants of customer acceptance of internet banking in Sri-Lanka and found perceived trust as one of the strongest determinants of internet banking acceptance in the country. In similar manner the finding justified with [Pipiwanicakarn and Wongtada \(2018\)](#), which investigate the applicability of TAM in explaining technology adoption among street vendors in Thailand and found perceived trust among others to be significant in enhancing the acceptance of technology.

CONCLUSIONS

The study found that perceived usefulness, perceived risk and perceived trust have significant positive effect on agency banking adoption in Nigeria. Based on the result of first research question, it is concluded that the agent-banking service consumers in Nigeria recognize the usefulness of agent banking system as a solution to their emerging financial needs and challenges by providing accessible banking services in underserved areas, making convenient transactions and avoiding long queues in traditional banking premises.

Secondly, based on the result of the second research question, this paper concludes that consumers of agency banking services in Nigeria are facing accessibility barriers such as limited infrastructures and inadequate agent networks or challenges with connectivity. These barriers outweigh the simplicity of the agent banking and hinder the adoption among certain segment population especially in rural communities.

Furthermore, this paper concludes based on the result of the third research questions that cultural norms and practices influence consumers' perceptions of risk and their willingness to adopt agency-banking services in Nigeria where cash-based transactions are prevalent. Hence, consumers perceived agency banking as a safer alternative to carrying cash despite potential risk associated with electronic transaction.

Lastly, regarding the result of the forth question, it is concluded that transparency and accountability in agency banking operations reinforce the perceived trust by portraying clear communication about fees, terms and condition as well as prompt resolution of customer concerns and complaints. As such, transparent and accountable practices foster trust and confidence in financial institutions and their agency banking services.

RECOMMENDATIONS

In view of the conclusions presented in this study, the following recommendations were made thus:

i. Based on the conclusion of the first research question, this study suggested the need for implementing a widespread education and awareness campaigns to highlight the benefit and practical utility of agency banking services to underserved communities in promoting the financial inclusiveness. The awareness campaign must emphasize on how agency banking services can provide convenient access to financial services, facilitate transactions and improve overall financial management to underserved individuals and businesses in developing economy like Nigeria.

ii. Secondly, the banks should also simplify and streamline the user interface of agency banking platforms and applications to enhance its smoothness. This involves designing intuitive interfaces with clear navigation paths, minimal steps and visual cues to guide users through transactions and minimize cognitive load. Simplifying this process will enhance the credibility and relevancy of the payment system to the Nigerians.

iii. Government should ensure regulatory clarity and enact robust consumer protection measures to safeguard users' interest and mitigate risks associated agency banking services by establishing clear guidelines, standards and enforcement mechanisms to protect users' right, privacy and financial security. Also, banks should invest in advanced security measures in agents' location, fraud detection system and dispute resolution mechanisms to protect users and maintain trust in the integrity of agency banking channels.

v. Finally, based on the conclusion of the last objective, banks should ensure that agency banking channels are accessible, available and operational at all times with minimal disruptions to meet users' expectations in order to enhance the users' trust. Also, there need for effective compliance with regulatory requirement and industry standards to demonstrate commitment to legal and ethical principles so that the trust include both the citizens and the Nigerian government alike.

LIMITATIONS OF THE STUDY

Firstly, despite the extension of the TAM with two additional variables, the model of the study was able to explain only 61.4% variation in agency banking adoption, which prompted the need for future studies to extend the model by including demographic and socioeconomic factors such financial literacy, income level and cultural or religious preferences to determine agency-banking adoption. Meanwhile, the data for this study was collected primarily in Bauchi state of Nigeria, which may affect the generalizeability of the findings to other regions of the country due to differences in economic development across states. As such, there is need for future studies to expand the study coverage to a particular region (i.e northeast) or possibly the entire country at large. Furthermore, due to limited awareness of innovation and technology in

developing countries, there is need for future studies to consider moderating effect of public awareness of the relationship between factors that determine the adoption of agency banking in Nigeria.

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