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DEPARTMENT OF BUSINESS ADIMINSTRATION

**ASSESSMENT OF AGENT BANKING PRACTICE IN
COMERCIAL BANK OF ETHIOPIA THE CASE OF
DEBREBREHAN DISTRICT**



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**A Research thesis submitted to the department of Business and Economics
at Debrebrehan University, in partial fulfillment of the requirements for
the Degree of Master of Business Administration**

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DECLARATION

I, **Zerfie Leshie Teklie**, hereby declare that this research thesis entitled “**Assessment of agent banking practice in selected commercial bank of Ethiopia the case of Debrebrehan District**” is my original work carried out independently with the close advice and guidance of my advisor. This thesis has not been submitted to any degree/diploma in this or any other institution and that all sources used in the thesis have been duly acknowledged.

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ACRONYMS

AB	Agent Banking
CBE	Commercial Bank of Ethiopia
NBE	National bank of Ethiopia
ATM	Automated Teller Machine
POS	Point of Sale
PIN	Personal Identification Number
ICT	Information commutation technology
SC	Share Company
MNO	Mobile network operator
SPSS	Statistical Packed for Social

ABSTRACT

This thesis aims to assess agent banking service in the with respect to the assessment of agent banking practice in selected Commercial bank of Ethiopia in the case of Debresena, Seladingay, Shewa robit, Yifat and Kewot. The study was conducted based on the data gathered from the bank agents in Amhara region. A quantitative research approach was used to answer the research questions that emerge through the review of existing literature. The study statistically analyses data obtained from the survey questionnaire. The research work was delimited to relevant agents having direct role to the subject matter. Additionally, the researcher tried to review various empirical and theoretical literatures in light of having an in-depth understanding on the subject matter to supplement the research construct. A research framework developed based on Technology acceptance model to guide the study. The result of the study indicated that, the agent banking service industry faces in the provision of the service are, lack of awareness , be deficient in trust, lack of supportive training , Lack of ICT infrastructure as well as be lack of trust. The study also identified perceived ease of use and perceived usefulness as a driver for the frequent use of agent banking system. The study suggests a series of measures which could be taken by the bank to address various challenges identified in the thesis. These measures include: Establishing a frequent training to minimize knowledge gap between agents also work on creating awareness to the society, supporting agent banking by working with Ethiopian telecommunication come to work on ICT infrastructure and network problem, banks needs to be focused on technological innovation competition rather than traditional bases of retail bank competition so the bank have to be work on providing other channels.

CHAPTER ONE

1. INTRODUCTION

This chapter deals with the problem or introductory part. It includes background of the study, statement of the problem, objectives of the study, significance of the study, scope of the study, delimitation of the study and organization of the study.

1.1. Background of the study

The beginning of electronic banking goes back to 1960s when computers were used in banks for the first time. The second round of electronic banking started at late 1970s and it was named automation of the office. Using telecommunication services was also common in this period. The third round started in the middle of 1980s by connection of customers to accounts. In this round the connection of customers with their accounts, telephone, Automated Teller Machine (ATM), etc was used. Finally, fourth period was accompanied by uniting the systems and connecting the customer to all banking operations (Mohsen, R. and Monire, S., 2011). Customer satisfaction is one of the most important factors in business. When it comes to commercial banks, customer satisfaction level differentiates one bank from another, thus measuring customer satisfaction is exceedingly important (Zopounidis, 2012). This is the reason why banks listen to customer requirements and complains. Profitable business cannot exist without satisfied customers, especially in service-oriented industries. In today's ever-increasing banking competitive environment information technology, effective service delivery and customer satisfaction are an indispensable competitive strategy. Research has found that service quality in banks is critical for satisfaction and retention of customers (Jabnoun. N. & Al-Tamimi, 2003). Keeping in view the significance of service quality as a means of competitive advantage and organizational sustainability, the banks are pursuing multidimensional approaches to improvement in service quality to attract, retain and create customers loyalty. NBE (National Bank of Ethiopia) encourages and enhances banks to focus on technological innovation competition rather than traditional bases of retail bank competition. The National Bank of Ethiopia is responsible for ensuring that financial institutions are delivering mobile and agent banking services without compromising the safety and soundness of the financial system of the country. Based on this the researchers

have been reviewed the Regulation of Mobile and Agent Banking Services (NBE Directives No. FIS /01/2012). This directive shall apply to financial institutions that conduct mobile and agent banking services as set out in these directives. As indicated in the directive, financial institutions can carry out mobile and agent banking through their agents. The use of technology and innovative financial service delivery channels such as mobile devices and agents have significant contribution in deepening financial service accessibility to the wider section of the population at an affordable price. This regulation stated that the uses of alternative and innovative financial services delivery channels are essential to encourage and enhance savings mobilization. Agent Banking is also known as, “Branchless Banking” an alternative to Card Banking enabling mobile phones as payment devices and can get the services at Agent shops without necessarily going to Bank Branches.

According to NBE Directive no, FIS/01/012 the maximum available balance of any Wallet account shall be Birr: 25,000 and Birr 6,000 for withdrawals send/receive cash to walk-in customer. Though much is said by the banks about the service quality, accessibility, affordability, safety, reliability and timeliness of agent banking service, customers hardly talk about the quality, service delivery time and queues are still seen in the banking halls to withdraw and deposit too little cash to the contrary of the main sense of the service. Hence, this study intended to assess the practice of agent banking service in Commercial Bank of Debresena, Seladingay, Shewarobit, Yifat, and Kewot district from the service to enable banks to see their failure and short coming of the service if there is any for further service improvement.

1.2. Statement of the problem

Agency banking system has two focal goals which are deposit mobilization in countryside area that are not easy to reach and creating non cash society in built-up area. mainly uses modern technology and it allow customers to access banking services electronically through mobile devices and Bank agents to deposit and withdraw cash, transfer fund, make bill payments, obtain content trading. One of the major significance of agent banking product and services is improved efficiency and effectiveness of the operations so that, transactions can be processed faster and most conveniently (Barasa & Mwirigi, 2013). In addition to this, the way agents handle customers complaints can also determine whether they will come back for services or not (Ombutora, 2013). Agents have to contend with customers complaints in cases such as, customer being debited with cash he did not receive because of incomplete

withdrawal transactions, an urgent deposit hanging somewhere else other than the beneficiary account due to system failure, where the agent has erroneously entered the wrong account number or bill account. Thus, how such complaints or errors are handled could mean retention or loss of the customer for good. In banking industry also, the interest rates on loans and charges on the usage of online services such as ATM machines and the processing fee is a major source of conflict between the bank and its customers. If customers think that the charges are more than it should become paring to their needs, they switch.

As the use of agent banking service is increasing day-by-day, it is important on the part of a banks, to have an idea about what the service users are thinking and perceiving about its various features, what are their problem areas, what are their recommendations. Because the service is at infant stage and new to the banks, to the customers, and to Ethiopia as a whole no sufficient work has been done with regard to the assessment of agent banking practice issues except few studies on the effect, challenges and prospect, barrier and driver and its impact in promotion of financial inclusion. Thus, the problem here is: the bank is giving this service but are customers really satisfied by the actual practice service they are getting? The essence of the service and the existing service by the bank is matching? Is the bank rendering the service as to the expectation of the customers? Financial services, especially banks are competing in the market place with generally undifferentiated product and service; therefore it is necessary to assess the agent banking practice so as to understand their actual practice and lead the bank to the right improvement that can create satisfied customers who rewards the bank with loyalty, continuing business and positive referrals. A bank can achieve success by identifying the strength, weakness developing and implementing strategies that necessary to overcome the problem rose on the actual practice of the agent banking service in selected commercial bank of Ethiopia Debrebrehan District. Thus, in order to carry out this study, attempts were made to seek answers for the following basic questions

1.3. Research questions

The researcher was addressing the following basic questions:

1. To what extent Customer being practiced on agent banking service?
2. What is Customers Attitude on the Practice of agent banking service?
3. To what extent Customer's satisfaction on agent banking service in terms of quality, reliability, and affordability?

4. What are the major factors (problems) affecting Practice of agent banking service to customers?

1.4. Objective of the study

The study has both general and specific objectives.

1.4.1. General Objective

The main purpose of the study is to assess the Practice of agent Banking Service in Commercial Bank of Ethiopia Debrebrihan District.

1.4.2. Specific Objectives

2. To assess the Awareness of Customer on practice of agent banking service
3. To assess Customers Attitude on agent banking service
4. To assess Customers satisfaction on agent banking service in terms of quality, reliability, and affordability
5. To identify the major factors that affect the practice of agent banking service to customers

1.5. Significance of the study

The study provides some insight about customers' perception in relation to agent banking service. Since there is no formal study conducted by the bank this study would also provide useful information to the management of Commercial Bank of Ethiopia under five selected Debrebrehan district to establish guideline and procedures that will have positive impact on the agent bank service practice. Moreover, the findings of this study will be used by the bank to improve or expand its service in a way geared to economic empowerment and customer satisfaction. Finally, the findings may be used as secondary data for other studies and other banks who are planning to provide the service may also take important lesson from this study. The finding of the study might be also initiate other researchers to perform a better and in-depth study on the area.

1.6. Scope of the study

The study was limited in scope and sample size. The study was focused on assessing the of practice agent banking service that is expected to bring satisfaction in Commercial Bank of Ethiopia under five selected district customers and staffs. The study was also delimited to only respondents who are active user of agent banking service and wallet account customers.

Thus, the study was also delimited to only respondents of selected bank having banking experience in association with the subject service under consideration.

1.7. Limitation of the study

Conducting research is relatively a long-term process compared to other activities to be carried out by researchers. Accordingly, the researcher is susceptible to varieties of difficulties on her way to study starting from the early beginning of data collection to the analysis and presentation of the research outcome. The research was a descriptive study that was limited in scope and sample size. To this end, some limitations were also observed in this study. One obvious limitation was that most of the customers of agent banking were busy and had no enough time to respond to questionnaires and interview. Some of them who have enough time were also reluctant to fill in and return the questionnaire as per the required time. This was the major challenges that faced the researcher while conducting the study.

Another limitation was lack of recent and relevant literature on the topic, especially on Ethiopian condition. There is shortage of books or lack of updated related literature in the area. Regardless of these short comings, however, it was attempted to make the study as complete as possible. The researcher was provided clear picture through making proper analysis of the different variables considered against customer satisfaction.

1.8. Definition Of Terms

- **Agent banking** - conduct of banking business on behave of a financial institution through an agent using various service delivery channels.
- **Agent** – a person engaged in a commercial/business activity and has been contracted by a financial institution to provide the services of the financial institution.
- **Bank** – a company licensed by the national bank to undertake banking business in Ethiopia or a bank owned by the government.
- **Customer** – an individual or entity who uses mobile and agent banking services of financial institutions offered through mobile devices.

1.9. Organization of the study

This research was organized into five chapters. The first chapter holds the introduction part of the study. The second chapter deals with review of related literature. The third chapter discuss about research methodology. In the fourth chapter the analysis of data and interpretation were presented. Finally, the last chapter comprises the conclusions and recommendations.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. INTRODUCTION

This chapter was review different literature relating to the definition and concept of agent banking in general. It highlights theoretical review, the empirical review, agency banking services, agent banking and customer satisfaction. There are also a lot of theories and research studies that explain Agent Banking and its application towards effects agent banking on customer satisfaction in Commercial Bank of Ethiopia Debreseina District. Accordingly the review it provides in depth theoretical insight to the following: The definitions on Agent Banking and stakeholders of agent banking, its global success, models of Agent Banking, Drivers of Agent Banking and Prospects, and Challenges. Thus, Models of Mobile and Agent Banking, Finally modes of business conduct in Ethiopian context were reviewed.

2.2. THE DEFINITION AND CONCEPT OF AGENT BANKING

Agent banking is retail or postal outlet contracted by a financial institution or a mobile network operator to process client's transactions. Rather than a branch teller, it is the owner or an employee of the retail outlet who conducts the transaction and lets clients deposit, withdrawal, and transfer funds, pay bills, inquire about an account balance, or receive government benefits or a direct deposit from their employer. Baking agents can be pharmacies, supermarket, convenience stores, lottery outlets, post office and offices and many more (Kumar et al, 2006); (Tarazi, 2010). Agent as per the national bank of Ethiopia directive (FIS-01-2012) issued to regulate the mobile and agent banking service it means a person engaged in a commercial or business activity and has been contracted by a financial instruction to provide the services of the financial institution on its behalf in a manner specified in these directives.

Agent banking is the most significant shift/enhancement in banking policy in recent times. An agent bank is a form of organization commonly used by an already established and formal financial banking institution to access the un-banked population. The main institutions closely supervise their agents, have full and round the clock access to internal systems, documents, reports, records, staff and premise of the agent as far as the agency is concerned. The agent banking business means the business carried out by an agent on behalf of an institution as permitted under some outlined guideline. Agents are allowed to undertake the

following services; cash deposits, withdrawals, loan application, repayments and transfer of funds (AWUONDO, 2013). Agent banking enables clients to store, send and receive electronic money through local agents, rather than travelling to the nearest bank branch. It is hoped that by moving financial services beyond banks, traditional “bricks-and mortar” infrastructure and shifting them to a more scalable, variable-cost channel, financial services can be provided profitably and sustainably to segments of the population that are poorer or more remote and that are currently neglected by regulated financial institutions (Ignacio and Siedek, 2008). The agency banking minimizes fixed cost; by leveraging existing retail outlets and stores hence financial service providers do not need to invest in their own physical infrastructure and also by using mobile phones rather than POS terminals as technology platform, financial service providers do not even have to incur equipment costs, for each new retail outlet opened. Such a variable cost structure makes the agent’s economics very simple (Plok, 2009).

2.3. Agent Banking Defined under National Bank of Ethiopia directive

Agent banking defined under National Bank of Ethiopia directive no. FIS /01/2012 as means the conduct of banking business on behalf of a financial institution through an agent using various service delivery channels. Agency banking refers to the delivery of financial services outside conventional bank branches, often using non-bank retail outlets that rely on technologies such as point-of sale (POS) devices or mobile phones for real time transaction processing (Modupe, 2010). Agent banking is a kind of branch less banking which is significantly cheaper alternative to conventional branch-based banking that allows financial institutions and other commercial players to offer financial services outside traditional bank premises (Hassan, 2011). Agent banking represents a significant opportunity to reduce transaction costs such as travel for clients by bringing financial services to hard-to-reach and geographically dispersed areas. This is especially true in Africa where some areas are sparsely populated leaving long distances between the customer and the bank. Moreover, in these areas overall literacy levels are fairly low. Also, banks and other financial institutions often do not have sufficient incentive or capacity to establish formal branches in these areas. Obviously, the set-up of agent banking is less costly and more flexible than for traditional bank branches since it reduces the need to invest in staff and physical infrastructure (Barasa, 2013). Elsewhere, agency banking refers to the points of service ranging from post offices in the outback of Australia where clients from all banks can conduct their transactions, to rural

France where the bank Credit Agricole uses corner stores to provide financial services, to small lottery outlets and clients can receive their social payments and access their bank accounts (Porteous, 2006). According to (Mutie, 2015) the first scholars to propose, explicitly, that a theory of agency, be created, and to actually begin its creation, were Stephen Ross and Barry Mitnick, independently and roughly concurrently. Ross is responsible for the origin of the economic theory of agency, and Mitnick for the institutional theory of agency, though the basic concepts underlying these approaches are similar. Indeed, the approaches can be seen as complementary in their uses of similar concepts under different assumptions; in short, Ross introduced the study of agency in terms of problems of compensation contracting; agency was seen in essence, as an incentives problem. Mitnick introduced the now common insight that institutions form around agency, and evolve a deal with agency, in response to the essential imperfection of agency relationships Agency banking was first developed in Brazil in 1999. Although by 2000, only 1,600 municipalities in Brazil had bank branches, by 2010, some 170,000 agents cover all of the 5,500 municipalities, and nearly 12 million accounts have been opened at agents over three years. Brazil's experience has offered valuable lessons for countries where banks can contract an agent (McKay, 2011). The Banks act allows a bank to contract agents to receive on (the bank's) behalf from its clients any deposits, money due to it or applications for loans or advances, or to make payments to such clients on its behalf. In United States, agency banking is a form of organization commonly used by foreign banks to enter the US market. Using an agency bank allows a foreign bank to engage in financial activity on US soil. People in the United States who want to do business with the parent bank can do so through the agent, with representatives at the agency bank taking care of issues like currency exchange, transfers of funds, and deposits among others. In addition to providing access to the financial industry in the United States, the agency bank also creates a method for investors in the US to access securities and other opportunities overseas with limited risk (Bold, 2011). According to (Mutie, 2015)agency banking could be of benefit to the clients in following ways; lower transaction costs (closer to their homes), long opening hours, shorter lines than in branches more accessible to the poor who might feel intimidated in branches compared to agency. Agency banking enables the bank to extend their services not only in areas with poor branch penetration but also up to the doorstep of those who are reluctant or otherwise unable, to make a trip to the nearest branch, (Justin, 2015) also stated that in emerging markets and rural areas, traditional banks have a hard time reaching customers. Opening and operating traditional bank branches are often not cost-

effective. Operating a bank branch entails having at least one teller at the front desk, a bank manager and bank employees specializing in areas such as mortgages and loans, and security. It is one of the reasons why banks are closing rural branches. Rural customers also have to travel extensively to visit their respective bank branches. For instance, an average rural customer of the State Bank of India has to travel around 8-20 km to the closest branch, according to statistics by Reserve Bank of India. In such a scenario, agent banking, comprising a network of banking agents who act as physical bank branches is the answer. Banking agents can be e-wallet providers, retailers and so on. Banking agents are usually equipped with a combination of point of sale card reader, barcode scanner to scan bills for bill payment transactions. Clients that transact at the agent use their banking agent to access their bank account or e-wallet respectively. Identification of entrepreneurs is normally done through a PIN, but could also involve biometrics. With regard to the transaction verification, authorization, and settlement platform, banking agents are similar to any other remote bank channel. Local regulation will determine if financial institutions are allowed to work through retail outlets. Regulators generally determine what kind of, if any, financial institutions are permitted to contract banking agents, what products can be offered at the retail outlets, how financial institutions have to handle cash transport (Njunji, 2013). Banking agents help financial institutions to divert existing entrepreneurs from crowded branches providing a complementary, often more convenient channel. Other financial institutions, especially in developing markets, use agents to reach an additional client segment or geography. Reaching poor clients in rural areas is often prohibitively expensive for financial institutions since transaction numbers and volumes do not cover the cost of a branch. In such environments banking agents that piggy back on existing retail infrastructure and lower set up and running cost can play a vital role in offering many low-income people their first-time access to a range of financial services. Also, low-income clients often feel more comfortable banking at their local store than walking into a marble branch. Banking agents are the backbone of banking, performing transactions over a bank device, most often a banking agent. To enable clients to convert cash into electronic money and vice versa which can be sent over their banking agent especially in remote and rural locations, where cash is still the most important way to pay and transact, a bank services is dependent on banking agents to enable clients to effectively use these Service (Njunji, 2013). Focusing on the importance of financial intermediation for different agents of an economy, (Subbarao, 2013) highlights that it provides opportunity for the poor to improve their incomes and quality of life. For the

suppliers of the services viz., the banks, it provides steady low cost savings. State can also benefit from financial inclusion as it helps to better channelization of funds and thereby reduce poverty. The lack of access to adequate physical infrastructure can be compensated by innovations in banking. In this context technological innovations are important as technology not only enhances the competitive efficiency of the banking sector by strengthening back-end administrative processes; it also improves the front-end operations and helps in bringing down the transaction costs for the customers. Information and communication, technology (ICT) solutions continue to help banks in providing seamless systems to capture customer data, ensure unique identification, and facilitate financial transaction services using remote connectivity. These systems also ensure uninterrupted service delivery, consumer data protection, customized products, dissemination of information on credit operations, and offer multiple financial products in local language (Prabha, 2013). Use of technology such as payment cards or mobile phones helps easy identification of customers and record transactions electronically and also enables customers to initiate 10 transactions remotely through third party outlets such as post offices and small retailers as agents (Handoo, 2010). In Africa, the finance sector has a pivotal role to play in economic development. Across the continent a number of banks are championing sustainability and reengineering their operations to integrate agency banking models. However, in Africa, agency banking is a new concept, with the model/concept being highly implemented in Kenya and South Africa. In South Africa, the first agency banking was implemented in 2005 (Bold, 2011). The South African regulatory framework gives wide discretion to banks to use nonbank third parties to offer banking services beyond their traditional branch network, either as agents or through outsourcing arrangements. The Banks act allows a bank to contract agents to receive on (the bank's) behalf from its clients any deposits, money due to it or applications for loans or advances, or to make payments to such clients on its behalf." The only restriction is that a bank may not enter into an agency agreement until it has provisioned for the bank's organizational extensions, purchase of a business, losses (including any loss suffered from a sale of assets), and bad debts.

2.4. AGENT BANKING MODEL

Alternatively, correspondent banking, can replace agent banking, is a model for delivering financial services whereby a bank partners with a retail agent or correspondent in order to extend financial services to locations for which bank branches would be uneconomical. It is

delivery channel that holds high potential for closing the delivery gap. Agent banking is branchless banking model that allows financial institutions to use third party retail agents and leverage on ICT to provide financial services outside the traditional brick and mortar bank premises. It is a great opportunity for the banks to reach out more people in rural areas where they cannot open branches easily being a mechanism in reducing costs and boost their deposit mobilization. Banking agents can be post offices, shops, pharmacies, microfinance institutions, retail outlets, supermarkets, petrol stations and internet/communication centres. like various literatures show agents can extend banking services like cash deposit and withdrawal, cash disbursement and cash repayment of loans, cash payment of bills, cash payment of retirement and social benefits, transfer of funds, balance enquiry, generation and issuance of mini bank statements, collection of documents in relation to account opening, loan application, credit and debit card application, collection of debit and credit cards, agent mobile phone banking services, cheque book request and collection, collection of bank mail or any other activity as central bank may prescribe being as the agreement concluded between the agent and the bank. There are certain activities against which banking agent is prohibited and these include transacting during communication failure, failure to issue receipt or acknowledgement, charging any fees, ceasing or diminishing of initial commercial activity, guaranteeing customers, offering banking services on own account, continuing banking business in existence of a criminal record or disciplinary case, offering services not included in the contract, opening accounts, carrying out loan appraisal and approvals, cheque deposit encashment, foreign exchange transactions, agents being run by a banks employee or associate. Agent banking presents various benefits for the banks, for the customers, for the agents and for the country in which it is practiced. First and foremost, agent banking allows financial institutions to establish physical presence in rural areas, remote areas or low population density where the cost of opening a branch may not make business sense. 11 Secondly, it allows customers to access financial services in a more familiar way than in a branch as the unbanked are not familiar with the procedures of a traditional bank branch. Thirdly, it increases the sales from customers seeking banking services while increasing the income source for the agents through the commissions or fees they get from banks. Last but not least, agent banking contributes to a more efficient and inclusive financial system by extending financial services to a wider population (Mas &Siediek, 2008).

2.5. MODES OF BUSINESS CONDUCT IN ETHIOPIA

Agent banking in Ethiopia started in 2014. Yet, now, it looks like it is at a standstill. Inability to attract clients and lack of trust are factors contributing to the passivity. Most banks are not involved in the agent service but now that it has become obligatory, they might have to change their paper plans to reality. The writers argue that NBE's regulation is a right decision, since this is the only way to serve the unbanked population (Shewagegnehu, 2015). Only financial institutions that are licensed by the National Bank are allowed to engage in mobile banking services within the geographical boundary of Ethiopia and with only Ethiopian Birr. Those agents of the financial institutions who can fulfill the requirements of the national bank of Ethiopia directives can also carry out the mobile agency banking service (NBE Directive no. FIS/01/2012). (Shewagegnehu, 2015) as he mentioned the National Bank of Ethiopia (NBE) in October 2015, came up with a new regulation to make the financial industry sound. In the eyes of private banks, the regulation is a disaster. They argue that it is a mechanism to make the sector more conducive for the public-owned banks. Anyway, this regulation will be the roadmap for banks over the next five years. The regulation contains many components, like capital requirement to grow to two billion, increasing branch numbers, including agent banking, to increase by 30pc in the consecutive years. But the whole debate on the regulation seems to circulate around the minimum capital requirement. This may be because it was unexpected by almost all stakeholders, and because it is difficult for private banks. A rather low level concern is the regulation on agent banking. For one, the media and most of the stakeholders are not aware of what agent banking is. It also seems simple to do. Equally, the rationale behind the regulation seems not to have been well conceived. As agent banking is a system by which a financial institution extends services without directly opening a branch it is done through potential certified agents. This way is the most cost-effective and accessible form of providing financial services for the customers. Agent banking enables individuals to deposit and withdraw money, transfer funds, pay bills and other related services simply by holding an agent account. For countries like Ethiopia, where financial accessibility is very low, agent banking is suitable in many ways. It enables financial institutions to become accessible in terms of time and place. The mobile revolution in urban and rural areas also means a golden opportunity for the growth of agent banking. This form of service provision can be used to clear the road for branch operations. With agent banking, it is possible to collect a small number of customers around each agent and introduce the name and the service of the bank to potential clients. This will ease the

operation of a new branch in the area. For the clients, agent banking reduces the time and money needed to visit a branch each day to deposit and withdraw their money. They can complete such transactions from the shop next door. This opportunity motivates fast but small cash movers, like retailers, to put their extra money into the banking system every day. For the agent, the system is a source of income as it works on commission basis. It enables the agent to earn a good reputation from the bank with which it is affiliated and perhaps, get some preferential rights, like credit. In the Ethiopian financial market, CBDE is the highly exercised in agent banking operations. In the system where banks are concentrated in a given area, agent banking is a good mechanism to address the public need for financial services. The reverse is true as agent banking would give banks more resources to leverage. As this service is at an introduction stage, there are many ups and downs. Banking should not be afraid of the challenges. The one and the most important factor they ought to make sure of, is that they have the trust of clients. Obstacles to building this trust and a dearth of capable agents, who can handle complex banking procedures as ably as the bank employee, are difficult challenges to be overcome. Another problem is fraud from the side of the agents. Yet, with a thoughtful approach, all these possible problems can be solved. The whole hoopla of inclusive finance cannot happen without agent banking. NBE has acted in the right direction by making it mandatory for banks. It is now time for banks to adapt to the new state of affairs.

2.6. DEVELOPMENT OF AGENT BANKING IN THE WORLD

The term agent banking is defined as a retail or postal outlet contracted by a financial institution or a mobile network operator to process clients' transactions. Rather than a branch teller, it is the owner or an employee of the retail outlet who conducts the transaction and lets clients deposit, withdraw, and transfer funds, pay their bills, inquire about an account balance, or receive government benefits or a direct deposit from their employer. Banking agents can be pharmacies, supermarkets, convenience stores, lottery outlets, post offices, and many more (Ivatury, 2006). Ignacio and Siedek (2008) had shown that the aforementioned outlets are increasingly utilized as important distribution channels for financial institutions globally. Agency banking has its origins in Brazil and Kenya where the most successful cases of agency banking have been identified. The Brazilian model is driven by the larger banks, such as Caixa Federal, Bradesco, and BancoPopular, and it uses more traditional card/POS terminals. Brazil now has 39,000 agents covering every municipality in the country, with

whom customers can deposit, withdraw, and electronically transfer money from their accounts. The Kenyan model is driven by mobile operator Safaricom. It uses a menu-driven application on their customers' mobile phones (in their SIM cards, more specifically) to authenticate and facilitate transactions by both customers and agents. Only two years after its launch, Safaricom's MPESA service now has over six million registered customers who can transact at almost eight thousand retail agents nationwide (Mas, 2009). Banks in Kenya have also embraced agency with KCB, Equity and Cooperative bank venturing into agency banking. Banking agents are usually equipped with a combination of point of sale (POS) reader, mobile phone, barcode scanner to scan bills for bill payment transactions, personal identification number (PIN) and sometimes personal computers that connect with the bank's server using a personal dial up or other data connection. Clients that transact at the agent use a magnetic stripe bank card or their mobile phone to access their bank account. Identification of customers is normally done through a PIN, but could also involve biometrics. With regard to the transaction verification, authorization, and settlement platform, banking agents are similar to any other remote bank channel (Ivatury, 2006). Banks in countries across the globe are increasingly using agents to provide financial services to customers. These arrangements, which involve the use of both agents and technology to transmit transactions details, are often referred to as branchless banking. The issue that perhaps needs to be addressed is the reason behind recent adoption of agent banking by a number of banking institutions around the globe. According to Ivatury et al (2006) agency banking is one strategy that banks can use to achieve cost-savings, give more accessibility to customers and enhance customer service. Ethiopian financial institutions have in the recent past embarked on an aggressive entry into this market segment. But many are finding that agents lack capacity to handle large transactions of cash and under-spend on security measures. The need to reach millions of unbanked poor people around the globe who do not have access to mainstream banking is also among the main reasons why banks have embraced the idea of agent banking. According to the National Banking and Securities Commission of Mexico and the Alliance for Financial Inclusion (2012), agent banking is quickly becoming recognized as a viable strategy in many countries for extending formal financial services into poor and rural areas. In recent years, agent banking has been adopted and implemented with varying degrees of success by a number of developing countries, particularly in Latin America. According to the National Banking and Securities Commission of Mexico and the Alliance for Financial Inclusion (2012), still on the reason for adoption of

agency banking, the major obstacle to financial inclusion is cost. Cost in this context refers to not only the cost incurred by banks in servicing low value accounts and extending banking infrastructure to underserved, low-income areas, but also the cost incurred by poor customers (in terms of time and expense) in reaching bank branches. Achieving financial inclusion therefore requires innovative business models that dramatically reduce costs for everyone and thus pave the way to profitable extension of financial services to the world's poor. Even though agent banking has been identified as the most appropriate strategy of extending financial services to the poor and rural areas, the model has yielded different levels of results in different countries. The regulation, design, and implementation of agent banking vary across countries. These differences are evident in the variety of services offered by agents, the types of 10 businesses acting as agents, the types of financial institutions that work through agents and the business structures employed to manage them. These differences ultimately contribute to the disparities in the extent to which agent banking is actually bridging the financial inclusion gap.

2.7. BENEFITS OF AGENT BANKING

Agent Banking, especially in developing economies are rapidly evolving and making tremendous impact in the economies and lives of its citizenry. Financial Institutions have successfully expanded their outreach by engaging local agents to offer their services, among which are; cash in/cash out, electronic transfers, bill payments, pre-approved credit lines, accounts opening, international remittances, government and other micro credit payments and other banking transactions that may be permissible by the Financial Institution. Success of agency banking can be attributed to technological advancement. The technology adapted is mainly a point of sale (POS) and a phone. Clients that transact at the agent use a chip bank card or their mobile phone to access their bank account (Yobes et.al. 2012). Identification of customers is normally done through a PIN, but could and personal documents. With regard to the transaction verification, authorization, and settlement platform, banking agents are similar to any other remote bank channel. Agency banking has enabled bank customer to access the banking services within the comfort of their neighbour-hood. Agency banking can dramatically reduce the cost of delivering financial services to unreached people (Yobes et.al. 2012). In general, Meviance (2013 Version 1.1 identified the following benefits of Agent banking;

1. Facilitates branchless banking/agency banking models: Highly efficient and cost effective approach in deploying and managing a network of partner agents.
2. Provides financial transparency to microfinance: No unauthorized loans, no unreported collections, Head office and branch managers have real-time information on business transactions.
3. Increased efficiency in operations: Less manual steps, no more double data entry, no lost documents, less errors, increased traceability.
4. Convenient and secure for customers: receipt printing and SMS confirmation for every transaction.
5. Works with your existing core banking system: No need for a new core banking system.
6. Simply extend the geographical reach of your core banking system and prolong its lifespan. Get more out of your initial investments.
7. Provides real-time information on field officer: Allows you to know what your officer have collected or paid out on the field before they get to the office.
8. Network agnostic: Works with all networks and is independent of mobile providers.
9. Robust against disruptions in internet connectivity: Field officer can perform secure transactions with or without internet connectivity to the core banking system.
10. Extensible and customizable: A future proof solution that can be easily extended in the future to meet new business needs.

According to CGAP (2010b) and CGAP (2011a), Agent banking also benefits for the Agent such as it earns commission per each customer on account opening, earns commission per each deposit and withdrawal, increased revenue due to customer traffic at the premise and Good reputation amongst the community. According to www.ambesabank.com, the purpose of adopting Agent banking includes Expansion of service, serving the population at large, deposit Mobilization, increase customer base, increase accessibility via a network of agents, operational cost reduction, reduce cost of branch expansion, generate revenue through transactions and comply NBE directives.

2.8. CUSTOMER SATISFACTION IN BANKING

Customer satisfaction is a key determining factor why customers leave or stay with a bank. However, keeping customers is also dependent on a number of other factors. These include a wider range of service choices, greater convenience, better prices, and enhanced income (Thakur, 2011). (Ioanna, 2002) cited in (Thakur, 2011) further proposed that differentiation is nearly impossible in a competitive environment like the banking industry. Banks everywhere are delivering nearly same services. Thus, bank management tends to differentiate their firm from competitors through service quality. Service quality is a crucial element which impact customers' satisfaction level in the banking industry. Generally in banking, quality is a multivariable concept, which includes differing types of convenience, reliability, services portfolio, and critically, the staff delivering the service (Storbacka et al., 1994) cited in (Thakur, 2011). Minimum price with maximum usage and profit always breeds higher level of satisfaction (Jamal and Kamal, 2004) cited in (Afsar, 2010). When pricing is not suited to the needs of the customers, dissatisfaction usually occurs. In banking industry also, the interest rates on loans and charges on the usage of online services such as ATM machines and the processing fee is a major source of conflict between the bank and its customers. If customers think that the charges are more than it should become paring to their needs, they switch. Competition is now fierce in banking industry as it has become too easy to open an account in any other bank that results switching cost to be very minimal. But if a customer is satisfied, the loyalty injects automatically and the customer remains with the current banker for a longer and longer period of time (Fox & Poje, 2002) cited in (Afsar, 2010).

2.9. MEASURING CUSTOMER SATISFACTION

Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviours such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products (David, 2010). It is also well recognized that measuring service quality is more difficult than to measure good's quality because of the unique characteristics of services. The main characteristics of services in general and banking services in particular are the following

(Parasuraman, Zeithmal, & Berry, 1988): – It’s intangible, since services are not material and cannot be touched. – The production and consumption of service happens at the same time, which means that it is produced upon request. – Service cannot be stored Most researchers found that service quality is the antecedent of customer satisfaction (Bedi, 2010; Kumar et al., 2010; Kumar et al., 2009; Naeem and Saif, 2009; Parasuraman et al., 1988). Quality customer service and satisfaction are recognized as the most important factors for bank customer acquisition and retention (Jamal, 2004; Armstrong and Seng, 2000; Lassar et al., 2000). Service quality is considered as one of the critical success factors that influence the competitiveness of an organization. A bank can differentiate itself from competitors by providing high quality service. Service quality is one of the most attractive areas for researchers over the last decade in the retail banking sector (Avkiran, 1994; Stafford, 1996; Johnston, 1997; Angur et al., 1999; Lassar et al., 2000).¹⁸ According to (Tse& Wilton, 1988) customer satisfaction is the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product.

2.10. CUSTOMER SATISFACTION AND ITS CONSEQUENCES

Satisfaction has been considered as one of the most important theoretical as well as practical issues for most marketers and customer researchers (Jamal, 2004). Satisfaction reflects a post-purchase evaluation of product quality given pre-purchase expectations (Kotler, 1991). On one hand, within literature on services marketing, Satisfaction has traditionally been defined as a cognitive-based phenomenon (Westbrook, 1987). Cognition has been studied mainly in terms of the expectations/ disconfirmation paradigm; also known as the confirmation/ disconfirmation paradigm, which states that expectations originate from the customer's beliefs about the level of performance that a product/service would provide (Oliver, 1980). Many marketing scholars (Tse and Wilton, 1988 Anderson and Sullivan, 1993; Patterson et al, 1997), indicate that customer satisfaction is related to the size and direction of disconfirmation, which is defined as the difference between the post- purchase and postusage evaluation of the performance of the product/service and the expectations held prior to the purchase. On the other hand, other studies (Dube-Rioux, 1990; Homburg et al, 2006) have recognized that the affect experienced during the acquisition and consumption of the product or service can also have a significant influence on satisfaction judgments. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to

product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviours such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products. Organizations of all types and sizes have come to realize that their main focus must be to satisfy their customers. This applies to industrial firms, retail and wholesale businesses, government bodies, service companies, non-profit organizations and every subgroup within an organization. There is a substantial body of empirical literature that establishes the benefits of customer satisfaction for firm. Organizations are increasingly interested in retaining existing customers while targeting non- customers; measuring customer satisfaction provides an indication of how successful the organization is at providing products and/or services to the marketplace.

2.11. EMPIRICAL LITERATURE REVIEW

The researcher tried to review related researches works pertaining to the topic in order to demonstrate through understanding of the research topic. As there is no study related to the agent banking and customer satisfaction in Ethiopia the researcher reviewed the study done in some other countries. (Eden, 2015) “Effect of Agency Banking Service on Customer Satisfaction” has studied the effect of service convenience, value, responsiveness and quality in agent banking service. The study finds out that convenience reflects profitability for the banker, especially when shoppers at mega stores, groceries can conduct banking at their convenience. With regard to service value the study further finds out that, even if high service value for the customer will results in higher customer satisfaction customers are not satisfied with the service value they are getting from the agents. In connection to responsiveness employees having willingness to respond to problems and employee responsiveness to customer needs as key to service delivery. Thus objectives of responsive banking shall cut customer waiting time, real time, decency, reduce transaction time, cut costs and wastes through reduction in idle time, wastes and inefficiencies but the researcher finds out in his study that responsiveness is not a major factor in customer satisfaction. The researcher deduced that there is a strong uphill (positive) linear relationship between customer satisfaction and service quality by agency banking services. The services in organizations are meant to boost consumer service quality and delivery by reducing expenses and that the Bank has been receptive on this front for technological development in the financial service which

will result into low operational costs, improved efficiency, effectiveness of operations and the customer benefits from the close proximity to service outlet, without going to the branches, and faster services, no queues. (Philip, 2017) “Effects of Agency Banking on Customer Satisfaction in the Banking Industry in Kenya” The objective of the study was to determine the effects of agency banking on customer satisfaction in the banking industry. It was descriptive type of design because it enables the researcher to generalize the findings to a large population. The descriptive research approach also was appropriate due to the fact it allowed analysis and determination of the relationship between dependent and independent variables. The researcher concludes that in as much as agency banking has played and continues to play a key role in enhancing financial deepening and inclusion in the countries where it has been adopted, the model is still bedevilled with some challenges which if not handled could reverse the gains made. Banks must, therefore, address the challenges that are posed by agency banking in order to maximize on the benefits of having this channel of banking. There is need to pay special attention, especially, to the quality of services rendered by agents in order not to undersell the mother bank. (Bellah, 2015) “The Impact of Agency Banking On Customer Satisfaction”. The research design was a survey design and case study. From the study, it was established that different attributes of customer satisfaction can be used to improve agent banking services. These attributes include responsiveness towards customer’s service quality and have a drive to attend to customers. Offering a wide variety of agent banking services also helps since customers prefer to go to an agent banking outlet where they can get all the services offered. It is thus important for agent banks to look into ways of satisfying its customers as it leads to being loyal to the bank which eventually leads to more business hence more profits for the banks.

Conceptual Framework Based on literature reviewed above, the relationship between agent banking service and customer satisfaction variables can be shown in figure below. The three customer satisfaction dimensions have been selected from the study done by Philip OkothTindi in 2017 however determinants of each variable adjusted as per the literature reviewed, however safety and affordability is included in this study since it is stated in the international journal (Justin, 2015) and by (Mutie Juliet Mwende, 2015) accordingly. These four dimensions will be ranked by the respondents on the level of importance for determining the source of satisfaction of agent banking service. Conceptual Framework Source: Adopted from Philip OkothTindi (2017).

2.12. CONCEPTUAL FRAMEWORK AGENT BANKING SERVICE

Convenience -Location/Accessibility -Proximity -Long opening hour -Ease of service Agent Quality -Awareness of customer service -Availability of service -Timely service -Cash availability -Professional approach Reliability -Keeps customers' information secret - Consistent service -Accuracy of transaction Customer Satisfaction -Higher retention rate - Customer loyalty Safety and Affordability – Safe to take and bring cash -less costly than branch bank-Convenience: As the agent banking offers an alternative way of conducting banking transaction outside the banking halls, locational convenience of the agent site is also an important quality and satisfaction determinant.

Locational convenience refers to the site at which the agents are located. Though service knowledge of the agent is described as one determinant of convenience to the customer in a way that customers can get what the service they want right away, for the purpose of this study it is excluded due to the fact that customers are not in a position to evaluate knowledge of the agents. **Agent Quality:** Availability and timely service and cash availability when the customer is in need are agent quality determinants. It is sometimes impossible to expect flawless availability of service delivery at all times to customers due to the fact that technologies can sometimes fail to deliver as expected.

Reliability: Once customers start using the service it is the responsibility of the agent respect and render the service with full and due attention consistently.

Safety and affordability: Agent banking is meant to be giving safe and affordable service to customers through agents without going to the bank halls. The cost in connection with getting the service through agents and safety level will attract customers to use agent banking service and they are main determinants of satisfaction.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the research design, sources of data, sample and sampling techniques, instruments of data collection and methods of data analysis.

3.1. Research Design and Method

Research design is the plan of action that links the philosophical assumptions to specific methods (Creswell and Plano lark, 2007). This study was attempted to obtaining information on practice of Agent Banking service in Commercial Bank of Ethiopia Debrebrihan district. Thus, it helps the researcher in the allocation of limited resource by posing crucial choices. It is used as the plan and structure of investigation so conceived as to obtain answers to research basic questions. Therefore, the design of this research was mainly descriptive. It is descriptive studies which are quantitative approaches was profoundly employed to answer the research questions as it has a primary purpose of assessing the practice of Agent Banking service in Commercial Bank of Ethiopia Debrebrihan district through questionnaire.

The objective of descriptive research is ‘to portray an accurate profile of persons, events or situations’ (Saudres, 2009). The descriptive research type describes data and characteristics about the population or phenomenon were studied. Descriptive research answers the question who, what, where, when and how. It is mainly concerned with describing the nature or condition and the degree in detail of the present situation. In addition (Creswell, 1994) states descriptive research design is a technique of gathering information about the existing condition. Descriptive studies usually the best method for collection of information that was demonstrating relationships and describes the world as it exists. As the product/service under consideration is new to the Ethiopian market, more emphasis was given to the qualitative aspect so that the researcher would be in a position to assess if customers are getting satisfaction out of the service. The researcher was used Likert type scales ranging from, Strongly Agree (5), Agree (4), and Undecided (3), strongly disagree (2), and Disagree (1).

3.2. Sources of Data

In order to realize the objective of the study and adequately answer the research basic questions, data were collected from both primary and secondary sources of data. The detailed description of primary and secondary data was explained as follows:

3.2.1. Primary data

The primary sources of data for this study were gathered from Customers of agent banking service or agent banking service givers of Commercial Bank of Ethiopia Debrebrihan District, and Branch Bank Manager. The selection of the respondents as a source of data for this study was unquestionable that they were the main subjects of the study. Moreover, the researcher believed that they have sufficient understanding on practice of agent banking service of under-five selected commercial bank of Ethiopia.

3.2.2. Secondary data

The secondary data were collected by reviewing relevant literature and pertinent documents like published and unpublished works or materials, journals, books, and articles which were related to assess the practice of agent banking in commercial bank of Ethiopia Debrebrihan District. While undertaking this research it is intended that to employ primary data source. The primary data source, a questionnaire used to collect the data.

3.3. Sample and sampling techniques

Sample is the segment of the population that is selected for investigation (Bell, 2003). Sample Size is actually the total number of units which is to be selected for the analysis in the research study. Customers of Commercial Bank of Debrebrihan district who are users/service givers of agent banking service are target populations of the study. The researcher selected those banks due to the fact that its daily exercised of the service and to identify the practice and level customer satisfaction in Agent banking Service. Therefore, the researcher were used questionnaires and collect primary data from the bank customers and employees ranging from clerical position to managerial position so as to enable the researcher get full and clear source of information.

More appropriate approach of sampling technique for the research is non-probability sampling (purposive) so as to enable the researcher to approach active users, who performed at least four transactions during the past one year using the service and assess their

satisfaction. The researcher tried to reach branches and customers that are close at hand, easy to reach and currently active in the agent banking business. Questioner was distributed to all five branches through head office of the bank in order to have their inputs in the study. Using the sample size determination formula (Yemane, 1973) $n = \frac{N}{1 + N(e)^2}$ where n is sample size, N no of population and e error tolerance. To find out 'e' we will try to know the confidence level at 0.02. The total population = 214, so the appropriate sample size was 178 customers/service givers agent banking service. The questioner was distributed to these customers/service givers.

3.4. Instruments of Data Collection

3.4.1. Questionnaire

Questionnaire is used commonly to gather data for descriptive analysis James et al, (1997). Both open and closed ended questionnaires were prepared and distributed to customers of agent banking service of Commercial Bank of Ethiopia Debrebrihan district. Accordingly, thirty five (35) with 5 point likert scale items were prepared for respondents. Strongly Agree (5), Agree (4), Undecided (3), Strongly disagree (2), and Disagree (1), on assessment of agent banking practice in selected commercial bank of Ethiopia the case of Debrebrihan district were prepared for respondents. Because it helps the respondents to choose one option from the given alternative that best aligns with their views. In addition to this, open-ended questionnaires were employed in order to give opportunity to express their feelings, perceptions and intensions related to the assessment of practice of Agent Banking in Commercial Bank of Ethiopia Debrebrihan District.

3.4.2. Interview

The interview permits greater depth of response which is not possible through any other means James et al, (1997). Thus, the purpose of the interview was collect more supplementary opinion, so as to stabilize the questionnaire response. The semi-structured interview was conducted with Commercial Bank of Ethiopia Debrebrihan district Managers.

3.4.3. Pilot test

To check the appropriateness of the items of tools, pilot test was conducted in Debrebrihan branch Commercial Bank of Ethiopia. A pilot study was conducted as a preliminary step to avoid errors. Its main objectives were to detect possible weakness relating to ambiguity due to poor morphological formulation and enable the researcher to make the necessary

corrections and adjustments. To do this, eight (8) purposively selected customers, were used. The validity of the instruments was examined by the researchers who participated in the pilot study and colleagues. Their comments were considered and further adjustments were made to the questionnaire .For example, some ambiguous (double barreled) questions were reworded. Additionally, to address the issue of reliability, the pre-testing of all instruments were made. To determine the reliability of the evidence gathered through the scales Cronbach alpha, one of estimating test’s reliability, was used in this research.

Table 1 Cronbach Alpha (α) values

No	Category of items of questions	Cornbrash’ s Alpha	Cornbrash’s Alpha Based on standardized items	Number of items
1	Assess Customer awareness on Practice of agent banking service	0.744	0.752	5
2	Major factors that affect the Practice of agent banking service to customers	0.930	0.933	8
3	Customers Attitude on agent banking service	0.691	0.623	7
4	Customer’s satisfaction on agent banking service in terms of quality, reliability, and affordability.	0.778	0.814	15

Table 1, shows the reliability coefficients of the instruments of each variable. The results indicated that the reliability coefficients are high and the instruments were reliable. The pilot study also checked for reliability.

3.4.4. Document Analysis

To see what was done on the real ground, the researcher used document analysis of data gathering instrument. Based upon the nature of the basic question raised and data obtained, different statistical tools were used. Percentage was employed to analyse various Characteristics of the sample population. This statistical tool helps to determine the relative a better picture of the characteristics such as sex, work experience, and academic. The researcher was explained the respondents about the topic and the objectives of the study, the type of questions to be asked. The qualitative type of data analysis technique was used based on the data gathered from respondents and data were computed and analysed by SPSS (Statistical Package for Social Sciences).

3.5. Method of data analysis

The data collected from questionnaires, interview and secondary documents were thoroughly coded, tabulated and checked for consistency and entered to SPSS version 25 spread sheet.

3.6. Ethical Consideration

In ethical consideration the researcher was informed the participants about the aim of the study and they were participated based on their own willingness. Privacy and confidentiality were maintained. In the beginning all legal permissions were secured. The response of each target/sample/ population was as secrete to protect them from any fear. All these were considered for the effectiveness of the issue under the study. Finally, the researcher was gives heartfelt gratitude to all bank communities and other responsible bodies for their cooperation to the successful completion of his work.

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

This chapter is assumed to be the main part of this study. It deals with the presentation, analysis and interpretation of the data gathered from the sample of Commercial Bank of Ethiopia Agent Banking service customers. The data gathered through questionnaires, interview and document analysis were analyzed and interpreted. Primary data has been collected using questionnaires and interview guides prepared for Commercial Bank of Ethiopia Agent Banking service Customers. Finally, secondary sources, document analysis was made to supplement the primary source of information. Hence, the basic questions rose in chapter one was given appropriate treatment. A total of 178 questionnaires were distributed to the respondents CBE Agent Banking service Customers. The distributed and return rates of questionnaires were presented in table below.

Table 2 Number and Percentage of Returns on Questionnaires

Respondents	Distributed	Returned	Percentage
CBE Agent Banking service Customers	178	1178	100%
Total	178	178	100%

The total 178 questionnaires were returned from respondents and properly completed copies of the questionnaires were included in the final computation of the data. Moreover 5 managers of Commercial Bank of Ethiopia were interviewed and document analyses were also made. Based on the responses obtained from the sample respondents, data presentation, analysis and interpretation are made as follows.

Section One: Personal information

4.1. Characteristics of Respondents based on sex, age, and work experience.

Description of the characteristics of target population gives some basic information about the sample population involved in the study presented here under

4.1.1. Number of Respondents based on sex, age, and work experience.

Table 3 Sex profile of the respondent on Agent Banking Service.

Sex profiles of respondents	Customers of Agent Banking service in CBE	
	No	%
Male	150	84.27
Female	28	15.73
Total	178	100.00

As it can be noted from this table, the majority of CBE Agent Banking service is a male, they are 150(84.27%). On the other hand, 28(15.73%) CBE Agent Banking service customers are females. The interviewee's are 5 managers of Commercial Bank of Ethiopia were all male respondents. This implies that the participation of both sexes found to be unproportional in respondent. The participation of female in the CBE Agent Banking service customers is low. This implies that the Female CBE Agent Banking service were not on the Agent position in the schools. Finally From this the researcher where conclude that there is a wider range Agent Banking service between the two sexes in getting access to participate in Agent Banking service.

Table 4 Age profile of the respondents

Age ranges of respondents	Agent Banking service in CBE	
	No	%
15-22	14	7.87
23-27	20	11.24
28-32	40	22.47
33-42	50	28.09
Above 42	54	30.34
Total	178	100.00

Age is another important profile of the respondents to analyze because the fair age distribution the respondent has implications for the quality of the study. The age distribution of the agent banking service respondents under table 4 indicates 14(7.78%) of agent banking service of CBE, 20(11.24%) of agent banking service of CBE fall between the ranges of 15-22 years. About 40(22.47%) of agent banking service of CBE and 50(28.09%) of agent

banking service of CBE are found 23-27 years. 54(30.34%) of agent banking service of CBE, whereas, the majority of the respondents 104(58.43%) of agent banking service of CBE, are found above 33-42 years. This indicated that a large number of agents banking service of CBE were found in the aged one. Thus, the aged of agent banking service of CBE have high opportunity to agent banking service of CBE effectively and efficiently.

Table 5 Experience of respondents using agent banking service

Experience of agent banking service	Agent Banking service of CBE	
	No	%
1-2	178	100%
3-6	-	-
6 and above	-	-
Total	178	100%

This section contains the detailed analysis and presentation of the work experience of the sample agent banking service of CBE respondents. An experience in agent banking services of CBE has great impact on the performance of agent banking service of CBE. Here, Table 5 presents the work experience of the respondents as follows.

As it has been clearly depicted in the table 5, the work experience of the respondents analyzed here under. Thus, 178(100%) of customers of Agent Banking service of CBE, have the experience of 1-2 years. The work experience of respondents implies they are new one on the practice of the Agent Banking services. Therefore it is necessary to arrange training, awareness creation and daily follow up to gives efficient Agent Banking services in order to promote customer satisfaction.

4.1.2. Educational back ground

Educational qualification has great impact on the school community relation in creating common understating between the two parties. This section again presents qualification wise distribution of the sample respondents

Table 6 Level of Qualification of Respondents

Education Qualification	Customers of Agent Banking services of CBE	
	No	%
Below Grade 12	90	50.56
12 Grades complete	45	25.28
Certificate	25	14.04
Diploma	13	7.30
First degree	4	2.25
Second degree	1	0.56
Third degree	-	-
Total	178	100%

Regarding the education qualification 90(50.56%) of Agent Banking services of CBE had below grade 12. Thus, 45(25.28%) of Agent Banking services of CBE had grade 12 completed, 25(14.04%) Agent banking services of CBE had a certificate holder, 13(7.30%), Agent banking services of CBE had a Diploma holder. About, 4(2.25%) of agent Banking services of CBE had first degree holders and 1(0.56%) of agent banking services of CBE had second degree holders. From this, it is easy to conclude the result because the data obtained from respondent express the majority of respondents had below grade 12. Thus, concerning to the educational level of the interviewees, all (100%) of them was first degree holders. From this any one concludes that, the majority of agents banking service givers are below grade 12. Therefore, it is necessary to facilitate and arrange training as well as to use media in order to promote those who are above grade 12 completed one to use as an agent banking service giver/customers under five selected branch.

Mean scores were calculated from the responses. For the purpose of easy analysis and interpretation, the mean values of each item and dimension were interpreted as follows.

The practice and problems of in service training with a mean value of 0-1.49 as very low, 1.50-2.49 as low, 2.50-3.49 as medium, 3.50-4.49 as high achievement of the task, and 4.50-5.00 as very high implementations of the activities for both points of scale range.

4.2. The assessment of respondent response on the practice of agent banking service.

Respondents were asked to give information about awareness of agent banking service. Information was gathered on agent banking service of customer. Table 1 presents data on the awareness of agent banking service.

Table 7 Respondent response on the practices of agent banking service, (N=178)

No	Item	SA		A		U		D		SD		Mean	SD
		NO	%	N	%	NO	%	NO	%	NO	%		
1.1	Is there a Lack of skills to implement or use agent banking service on the customers	48	27	50	28.1	25	14	26	14.6	29	16.3	3.34	1.43
1.2	Do you have sufficient knowledge about the agent banking service	13	7.3	14	7.9	25	14	79	44.4	47	26.4	2.25	1.14
1.3	Do you believe that frequent training is necessary to the agent banking service to exercise well	104	58.4	32	18	8	4.5	17	9.6	17	9.6	4.06	1.37
1.4	Is there a frequent training and support provided on agent banking service to the customers of the bank	6	3.4	11	6.2	9	5.1	77	43.3	75	42.1	1.85	1.00
1.5	Do you insist your colleagues to use agent banking service.	14	7.9	20	11.2	21	11.8	74	41.6	49	27.5	2.30	1.21

As it is observed from table 7, response for item number one aims at knowing Customers awareness if there are Lack of skills to implement or use agent banking service on the customers. Accordingly, 48(27%), and 50(28.1%) of customers, Totally 98(55.06%) of customers were agreed on Lack of skills to implement or use agent banking service. Hence, 25(14.04%) of customers are undecided on the issues. Thus, 26(14.6%) of customers and 29(16.3%) of customers, Totally 55(30.90%) of customers were disagreed on whether they

have sufficient knowledge about the service on the implementation or use agent banking service

As we can see from the above table the mean score is 3.34 which are in the medium which means there is lack of skills of customers' to implement or use agent banking service. This implies the inefficient effort of the bank management to conduct training to enhance customer's agent banking service. Accordingly, the calculated standard deviation 1.43, this result shows that there is significant difference of the respondents' opinion. This result shows that there is significant difference of opinion among their groups of respondents.

Responses for item 2, in the same table shows that 13(7.3%) and 14(7.9%) of customers, totally 27(15.17%) of respondents agreed that they have sufficient knowledge about the agent banking service. Hence, 25(14.04%) of customers are undecided on the issues. Accordingly, 79(44.4%) and 47(26.4%) of customers, totally 126(70.79%) respondents disagreed that they don't have sufficient knowledge about the agent banking service.

The mean score is 2.25 which are in the low participation which means there is insufficient knowledge about the agent banking service.

The calculated standard deviation 1.14, this result shows that there no significant difference of the respondents' opinion. This result shows that there is no significant difference of opinion among respondents.

The third item of table 7 depicts that 104(58.4%) and 32(18%) of customers, Totally 136(74.40%) of respondents agreed that agent banking service for customer under study were frequent training is necessary to exercise well. Hence, 8(4.5%) of customers are undecided on the issues. On the other hand, 17(9.6%) and 17(9.6%) of customers, totally 37(19.10%) respondents disagreed that frequent training is not necessary to exercise for agent banking service.

The mean score is 4.06 which are in the high agreement which means there is strongly believes frequent training is necessary to customers for the agent banking service to exercise well.

The calculated standard deviation 1.37, this result shows that there no significant difference of the respondents' opinion. This result shows that there is no significant difference of opinion among respondents regarding frequent training for customers on the agent banking service.

The forth item of table 7 was to check if training and support provided on agent banking service to the customers of agent banking service or not. Accordingly, 6(3.4%) of customers strongly agree and

11(6.2%) of customers agree, totally 17(9.55%) respondents agreed that they got training and support provided on agent banking service to the customers of the bank. Hence, 9(5.06%) of customers are undecided on the issues. Accordingly, 77(43.3%) and 75(42.1%) of customers, totally 152(85.39%) respondents disagreed that they didn't get training and support provided on agent banking service to the customers. The mean score is 1.85 which is in the very low agreement which means there is strongly believes that they didn't get training and support provided on agent banking service.

The mean score is 1.85 which is in the low agreement which means there is low agreement on frequent training is necessary to customers for the agent banking service to exercise well.

The calculated standard deviation 1.00, this result shows that there no significant difference of the respondents' opinion. This result shows that there is no significant difference of opinion among respondents regarding frequent training for customers on the agent banking service.

As can be observed in table 7 item 5 customers were asked do you insist your others to use agent banking service. To this end, 14(7.9%) of customers strongly agree and 20(11.2%) of customers agree, totally 34(19.10%) respondents agreed that they insist others customers to use agent banking service. Hence, 21(11.8%) of customers are undecided on the issues. Thus, 74(41.6%) of customers and 49(27.5%) of customers, Totally 123(69.10%) of customers were disagreed that they never insist others customers to use agent banking service. The mean score is 2.30 which are in the low agreement which means there is strongly believes that they didn't insist others colleagues to use agent banking service.

Majority of the respondents don't recommend others to use the agent banking service, implying that due to the malfunctioning of the service and other problems they are not willing to recommend to their colleagues'; while very small number of the respondents agree that they will recommend their colleagues' to use the service.

4.3. Customer Attitudes On the practice of Agent Banking Services

Customer satisfaction is a key determining factor why customers leave or stay with a bank. However, keeping customers is also dependent on a number of other factors. These include a wider range of service choices, greater convenience, better prices, and enhanced income (Thakur, 2011). (Ioanna, 2002) cited in (Thakur, 2011) further proposed that differentiation is nearly impossible in a competitive environment like the banking industry. Banks everywhere are delivering nearly same services. Thus, bank management tends to differentiate their firm

from competitors through service quality. Service quality is a crucial element which impact customers' satisfaction level in the banking industry. Generally in banking, quality is a multivariable concept, which includes differing types of convenience, reliability, services portfolio, and critically, the staff delivering the service (Storbacka et al., 1994) cited in (Thakur, 2011). Minimum price with maximum usage and profit always breeds higher level of satisfaction (Jamal and Kamal, 2004) cited in (Afsar, 2010).

Table 8 Customer's attitudes on the practice of agent banking Services

No	Item	SA		A		M		D		SD		Mean	SD
		NO	%	NO	%	NO	%		%	NO	%		
1	Do you think banking agency opening and closing hours influences the use of Agent banking service?	36	20.2	72	40.4	25	14	28	15.7	17	9.6	3.46	1.24
2	The frequency of clients visiting to get the agent banking service is low	66	37.1	68	38.2	15	8.4	14	7.9	15	8.4	3.87	1.23
3	The experience of the agent banking service attracts customers	26	14.6	28	15.7	12	6.7	70	39.3	42	23.6	2.58	1.38
4	Most of your customers prefer using agent banking service in their transactions other than deposit and withdrawal	53	29.8	38	21.3	22	12.4	33	18.5	32	18	3.26	1.50
5	Customers may not be willing to accept agent banking Service	49	27.5	51	28.7	17	9.6	36	20.2	25	14	3.35	1.42
6	relatively using of Mobile to get banking service is expensive for customers	14	7.9	31	17.4	39	21.9	36	20.2	58	32.6	2.47	1.31
7	The speed of the agent banking service influences the number of clients using the agent banking service.	87	48.9	35	19.7	14	7.9	25	14	17	9.6	3.84	1.40

Response for item number one of table 8 aims at knowing Respondents Views on banking agent opening and closing hours influences the use of Agent banking service or not?

Accordingly, 108(60.06%) of customers of agent banking service users were agreed on agent banking service opening and closing hours influences the use of agent banking service. Hence, 25(14%) of are undecided on the issues. Thus, 45(25.3%) of customers agent banking service users are disagreed. Accordingly, the calculated mean (3.46) and standard division (1.24) division result also shows that the banking agent opening and closing hours had influences the use of Agent banking service. For this statement, the mean value is greater than 3 which reveal positive result. Thus, from this we can understand the banking agent opening and closing hours had influences the use of Agent banking service. Therefore based on the data obtained from interview, and the calculated mean and standard division result, it is possible to conclude that the banking agent opening and closing hours had influences the use of Agent banking service.

Response for item number two of table 8 aims at knowing Respondents Views on the frequency of clients visiting to get the agent banking service is low or not? Accordingly, 134(75.3%) of customers of agent banking service users were agreed on the frequency of clients visiting to get the agent banking service is low. Hence, 15(8.4%) of are undecided on the issues. Thus, 29(10.96%) of customers agent banking service users are disagreed. Accordingly, the calculated mean (3.87) and standard division (1.23) division result also shows that the frequency of clients visiting to get the agent banking service is low. For this statement, the mean value is greater than 3 which reveal positive result. Thus, from this we can understand the frequency of clients visiting to get the agent banking service is low. Therefore based on the data obtained from interview, and the calculated mean and standard division result, it is possible to conclude that lowness the frequency of clients visiting to get the agent banking service. Therefore, it is necessary to facilitate and arrange training and using different means to increase the number of customers use agent banking service under five selected district of commercial bank of Ethiopia of Amhara Regional Government of North Showa Zone.

As indicated in the same table of item number three was to check if the experience of the agent banking service attracts customers or not? Accordingly, 112(62.9%) of customers of agent banking service users were agreed on the experience of the agent banking service attracts customers. Hence, 12(6.7%) of are undecided on the issues. Thus, 54(29.13%) of customers agent banking service users are disagreed on the experience of the agent banking service attracts customers. Accordingly, the calculated mean (3.87) and standard division

(1.23) result also assured that the experience of the agent banking service had attracted customers. Hence, the mean value of item number three of table 8 is greater than 3 were agreed on the experience of the agent banking service attracts customers. Thus, based on the data obtained from manager of Commercial bank of Ethiopia those selected for this study also agreed with above result. Therefore, the manager of Commercial bank of Ethiopia whose manage those selected one should arrange necessary condition that enforce to increase customers those who use agent banking service to enhance their satisfaction.

As can be seen in table two of item number four the respondents were asked whether the, Most of customers prefer using agent banking service in their transactions other than deposit and withdrawal or not? Accordingly, 91(50.11%) of customers of agent banking service users were agreed on most of customers prefer using agent banking service in their transactions other than deposit and withdrawal. Hence, 22(12.4%) of are undecided on the issues. Thus, 65(36.5%) of customers agent banking service users are disagreed on most of customers prefer using agent banking service in their transactions other than deposit and withdrawal. Accordingly, the calculated mean (3.26) and standard division (1.50) result also assured that most of customers prefer using agent banking service in their transactions other than deposit and withdrawal.

Hence, the mean value result of item number four of table eight is greater than 3 is positive value on the item most of customers prefer using agent banking service in their transactions other than deposit and withdrawal. Thus, based on the data obtained from manager of Commercial bank of Ethiopia those selected for this study also agreed with above result. According to Ivatury et al (2006) agency banking is one strategy that banks can use to achieve cost-savings, give more accessibility to customers and enhance customer service. Ethiopian financial institutions have in the recent past embarked on an aggressive entry into this market segment.

Agent banking enables individuals to deposit and withdraw money, transfer funds, pay bills and other related services simply by holding an agent account. For countries like Ethiopia, where financial accessibility is very low, agent banking is suitable in many ways. It enables financial institutions to become accessible in terms of time and place. The mobile revolution in urban and rural areas also means a golden opportunity for the growth of agent banking. This form of service provision can be used to clear the road for branch operations. With agent banking, it is possible to collect a small number of customers around each agent and

introduce the name and the service of the bank to potential clients. This will ease the operation of a new branch in the area. For the clients, agent banking reduces the time and money needed to visit a branch each day to deposit and withdraw their money. They can complete such transactions from the shop next door. This opportunity motivates fast but small cash movers, like retailers, to put their extra money into the banking system every day. For the agent, the system is a source of income as it works on commission basis. It enables the agent to earn a good reputation from the bank with which it is affiliated and perhaps, get some preferential rights, like credit.

Response for item number five of table 8 aims at knowing respondents views on customers may not be willing to accept agent banking Service or not? Accordingly, 100(50.11%) of customers of agent banking service users were agreed on the customers may not be willing to accept agent banking service. Hence, 17(9.6%) of are undecided on the issues. Thus, 61(34.2%) of customers agent banking service users are disagreed on the issues. Accordingly, the calculated mean (3.35) and standard division (1.42) division result also support that the customers may not be willing to accept agent banking Service. Why because, the mean value is greater than 3 which reveal positive result or it support the finding. Thus, from this anyone can understand the reality that the customers may not be willing to accept agent banking service. Hence, based on the data obtained from interview, and the calculated mean and standard division result, it is possible to conclude that the customers may not be willing to accept agent banking crevices. Therefore, it is necessary to facilitate training and using different strategies that is good to increase their faith to use agent banking service.

Agent banking represents a significant opportunity to reduce transaction costs such as travel for clients by bringing financial services to hard-to-reach and geographically dispersed areas. Banks and other financial institutions often do not have sufficient incentive or capacity to establish formal branches in these areas. Based to Kasekende, (2008) to achieve loyalty, a product or service must be beyond achieving visibility and differentiation. It should instead develop deep relationships with the entrepreneurs to a point where the brand becomes a meaningful part of the customer s life and or self-concept and when this occurs the customer was highly loyal (Atman, E. 1993). Thus, brand loyalty is at the core of relationship banking, which goes beyond traditional banking and focuses more on creating a pool of committed, profitable entrepreneurs. A successful brand aims to develop high quality relationship in

which entrepreneurs feel a sense of commitment and belonging. Relationship banking aims at developing long-term entrepreneurs (Kitaka, 2001).

As indicated in the same table of item number six was to check if relatively using of mobile to get banking service is expensive for customers or not? Accordingly, 45(24.11%) of customers of agent banking service users were agreed on relatively using of mobile to get banking service is expensive for customers. Hence, 39(21.9%) of are undecided on the issues. Thus, 94(52.8%) of customers agent banking service users are disagreed on relatively using of mobile to get banking service is expensive for customers. Accordingly, the calculated mean (2.47) and standard division (1.31) result also assured that relatively using of mobile to get banking service is expensive for customers. Hence, the mean value of item number six of table 8 is less than 3 were did not agreed on relatively using of mobile to get banking service is expensive for customers. Thus, based on the data obtained from manager of commercial bank of Ethiopia those selected for this study also did not on agreed with relatively using of mobile to get banking service is expensive for customers.

As can be seen in table eight of item number seven the respondents were asked whether the, The speed of the agent banking service influences the number of clients using the agent banking service or not? Accordingly, 122(67.16%) of customers of agent banking service users were agreed on the speed of the agent banking service influences the number of clients using the agent banking service. Hence, 14(7.9%) of are undecided on the issues. Thus, 42(23.6%) of customers agent banking service users are disagreed on the speed of the agent banking service influences the number of clients using the agent banking service. Accordingly, the calculated mean (3.84) and standard division (1.40) result also assured that the speed of the agent banking service influences the number of clients using the agent banking service. Hence, the mean value result of item number seven of table eight is greater than 3 is positive value on the item that the speed of the agent banking service influences the number of clients using the agent banking service. Thus, based on the data obtained from manager of Commercial bank of Ethiopia those selected for this study also agreed with above result.

4.4. Customer satisfaction on banking agent service in terms of affordability

Table 9 Respondents view on customer satisfaction on banking agent service in terms of affordability

No	Item	SA		A		M		D		SD		Mean	SD
		NO	%										
1	the place where the agent located is easily accessible me (for parking, transport)	25	14	40	22.5	37	20.8	50	28.1	26	14.6	2.93	1.28
2	The agent place is close to me	29	16.3	28	15.7	28	15.7	57	32	36	20.2	2.75	1.37
3	the working hour of the agent enables me to use the service better than bank branches	63	35.4	58	32.6	14	7.9	28	15.7	15	8.4	3.70	1.32
4	the service I am getting is easy and comfortable	46	25.8	61	34.3	6	3.4	55	30.9	10	5.6	3.43	1.31
No	Item in terms of Quality	SA		A		M		D		SD		Mean	SD
1	the agent makes me feel valued customer	14	7.9	35	19.7	46	25.8	69	38.8	14	7.9	2.80	1.08
2	during the working hour I always gets the service	35	19.7	69	38.8	26	14.6	37	20.8	11	6.2	3.44	1.19
3	the time I spent to get the service is acceptable	46	25.8	71	39.9	17	9.6	30	16.9	14	7.9	3.58	1.25
4	enough cash is available at the agents shop	12	6.7	36	20.2	12	6.7	64	36	54	30.3	2.37	1.28
No	Item terms of Reliability	SA		A		M		D		SD		Mean	SD
1	Agents keep customers information secrets	43	24.2	56	31.5	39	21.9	26	14.6	14	7.9	3.49	1.22
2	Whenever I went to the agents shop I am getting same quality service	14	7.9	46	25.8	63	35.4	38	21.3	17	9.6	3.01	1.08
3	Every time i make transaction	36	20.2	48	27	31	17.4	49	27.5	14	7.9	3.24	1.27

	through agents it is correctly reflected in my Wallet.												
4	have not had problem with the agents	12	6.7	63	35.4	31	17.4	58	32.6	14	7.9	3.00	1.12
5	The service I am getting through agents is similar with that of the bank branches as promised	28	15.7	36	20.2	35	19.7	71	39.9	8	4.5	3.02	1.19
6	Do you have satisfaction by using agent banking service	40	22.5	78	43.8	15	8.4	25	14	20	11.2	3.52	1.28

Response for item number one of table 9 aims at knowing respondents views on during the working hour I always gets the service or not? Accordingly, 65(36.5%) of customers of agent banking service users were agreed on during the working hour I always gets the service. Hence, 37(20.8%) of are undecided on the issues. Thus, 76(42.7%) of customers agent banking service users are disagreed on the issues. Accordingly, the calculated mean (2.93) and standard division (1.28) division result also support that during the working hour I always gets the service. Why because, the mean value is less than 3 which reveal negative result or it did not support the finding of the study. Thus, from this anyone can understand that during the working hour I always did not get the service. Hence, based on the data obtained from interview, and the calculated mean and standard division result, it is possible to conclude that during the working hour I always not get the service.

As indicated in the same table of item number two was to check the time I spent to get the service is acceptable or not? Accordingly, 53(29.7%) of customers of agent banking service users were agreed the time I spent to get the service is acceptable. Hence, 45(25.3%) of are undecided on the issues. Thus, 80(44.9%) of customers agent banking service users are disagreed on the time I spent to get the service is acceptable. Accordingly, the calculated mean (2.84) and standard division (1.06) result also assured that the time I spent to get the service is acceptable. Hence, the mean value of item number three of table ten is less than 3 were dis not agreed on the issue that the time I spent to get the service is acceptable. Thus, based on the data obtained from manager of commercial bank of Ethiopia those selected for this study also agreed with the above result the time I spent to get the service is acceptable.

As indicated in the same table of item number three was to check if the agent makes me feel valued customer or not? Accordingly, 49(26.16%) of customers of agent banking service

users were agreed on the agent makes me feel valued customer. Hence, 46(25.8%) of are undecided on the issues. Thus, 83(45.17%) of customers agent banking service users are disagreed on the agent makes me feel valued customer. Accordingly, the calculated mean (2.80) and standard division (1.08) result also assured that the agent did not make me feel valued customer. Hence, the mean value of item number one of table ten is less than 3 were did not agreed on the issue that the agent did not make me feel valued customer. Thus, based on the data obtained from manager of commercial bank of Ethiopia those selected for this study also agreed with the above result that the agent makes me feel valued customer. Therefore the manager of commercial bank of Ethiopia those selected for this study should give value for customers that use agent banking service. Why because customers are a king for effective implementation agent banking services.

Response for item number four of table 9 aims at knowing respondents views on during the working hour I always gets the service or not? Accordingly, 65(36.5%) of customers of agent banking service users were agreed on during the working hour I always gets the service. Hence, 37(20.8%) of are undecided on the issues. Thus, 76(42.7%) of customers agent banking service users are disagreed on the issues. Accordingly, the calculated mean (2.93) and standard division (1.28) division result also support that during the working hour I always gets the service. Why because, the mean value is less than 3 which reveal negative result or it did not support the finding of the study. Thus, from this anyone can understand that during the working hour I always did not get the service. Hence, based on the data obtained from interview, and the calculated mean and standard division result, it is possible to conclude that during the working hour I always not get the service.

As can be seen in table 9 of item number five the respondents were asked whether the, enough cash is available at the agents shop or not? Accordingly, 48(26.9%) of customers of agent banking service users were agreed on enough cash is available at the agents shop. Hence, 12(6.7%) of are undecided on the issues. Thus, 118(66.3%) of customers agent banking service users are disagreed on enough cash is available at the agents shop. Accordingly, the calculated mean (2.37) and standard division (1.28) result also assured that enough cash did not available at the agents shop. Hence, the mean value result of item number four of table 9 is less than 3 is negative value on the item that enough cash is not available at the agents shop. Thus, based on the data obtained from manager of Commercial

bank of Ethiopia those selected for this study also agreed with above result. Therefore, it is necessary to find and signed agreement with those who have high capital in agent banking.

Response for item number six of table 9 aims at knowing respondents views on during the working hour I always gets the service or not? Accordingly, 65(36.5%) of customers of agent banking service users were agreed on during the working hour I always gets the service. Hence, 37(20.8%) of are undecided on the issues. Thus, 76(42.7%) of customers agent banking service users are disagreed on the issues. Accordingly, the calculated mean (2.93) and standard division (1.28) division result also support that during the working hour I always gets the service. Why because, the mean value is less than 3 which reveal negative result or it did not support the finding of the study. Thus, from this anyone can understand that during the working hour I always did not get the service. Hence, based on the data obtained from interview, and the calculated mean and standard division result, it is possible to conclude that during the working hour I always not get the service.

4.5. Factors Affecting the practice of Agent Banking Service

There are of course challenges that the banks need to address to avoid losing customers and maintaining the Banker- Customer relationship. The customer is still the responsibility of the Banks and the same has not been delegated to the Agency. Some of the challenges that need to be addressed are: Confidentiality; Every year Banks ensure that their staff members sign secrecy forms and maintain confidentiality for all customer information. This should be looked at as these agency employees are not bank employees. Security; Most of these agencies are in areas that are what would be considered 'high Risk'. The Bank needs to audit the security measures being taken by the agencies to ensure the customer can transact confidently without having to look behind their backs. Customer service to the bank customer; Service is a huge challenge for the banks as they need to train and retrain the Agents so as to maintain high levels of customer service. Issues of Fraud; The agency staff will be a target by fraudsters as they are aware that they will not be able to easily identify fraudulent transactions for example identification of documents for originality is a challenge (Ombutora, 2013).

Table 10: Respondents view on factors affecting the practice of Agent Banking Service

No	Item	SA		A		M		D		SD		Total		Me an	SD
		NO	%	NO	%	NO	%	NO	%	NO	%	No	%		
1	I believe that banking location influences extent of use of Agency banking	123	69.1	24	13.5	20	11.2	2	1.1	9	5.1	178	100	4.40	1.07
2	Availability of appropriate Agent Banking channels influences the adoption of Agent Banking	109	61.2	48	27	10	5.6	9	5.1	2	1.1	178	100	4.42	0.89
3	Lack of available ICT infrastructure affect my daily operation	97	54.5	49	27.5	3	1.7	28	15.7	1	0.6	178	100	4.19	1.09
4	substitute products like ATM card, internet Banking and other product affect the adoption of Agent Banking	32	18	58	32.6	6	3.4	55	30.9	27	15.2	178	100	3.07	1.40
5	I observe that there is a lack of trust on using agent banking	59	33.1	32	18	26	14.6	44	24.7	17	9.6	178	100	3.40	1.40
6	The cash limit affects my business	37	20.8	65	36.5	8	5.1	67	37.1	1	0.6	178	100	3.39	1.09
7	the competition affect to hold my customer	60	33.7	62	34.8	17	9.6	19	10.7	20	11.2	178	100	3.69	1.33
8	The commission that I get from serving the customers are not good	33	18.5	81	45.5	10	5.6	36	20.2	18	10.1	178	100	3.42	1.27

As shown in the above table, the responses were scored on a scale of 1 – 5, with representing strong disagreement to respondents’ strong agreement with each of the factors. The challenges of the banking location influences the extent of using Agency banking ranked highest with the strongly agree rate of 123 (69.1%) and agree take 24 (13.5%) as well as 20 (11.2%) of respondent are undecided on the issues. Thus, 2(1.1%) of customers and 9(5.1%) of customers, Totally 11(6.18%) of customers were disagreed that banking location is not

influences the extent of using Agency banking. The mean score is 4.40 and standard deviation is 1.07 which is in the very high agreement which means there is strongly believes that the banking location influences the extent of using Agency banking.

The second factor was the Availability of appropriate Agent Banking channels influences the service of Agent Banking. Accordingly, 109(69.1%) of customers strongly agree and 48(627%) of customers agree, totally 157(88.20%) of respondents agreed that availability of appropriate Agent Banking channels influences the Agent Banking. Hence, 10(5.6%) of customers are undecided on the issues. Accordingly, 9(5.1%) and 2(1.1%) of customers, totally 11(6.18%) of the respondents disagreed that the availability of appropriate Agent Banking channels don't influences the adoption of agent Banking. The mean score 4.42 and standard deviation 0.89 which is strongly believes that the availability of appropriate Agent Banking channels influences the adoption of agent banking.

The third factor was Lack of adequate ICT infrastructure. The respondent ranked highest on strongly agrees and agree 146 (82.02%). Hence, 3(/*1.69%) of customers are undecided on the issues but 29 (16.29%) of respondent disagree and strongly disagree with the mean score of 4.19 and standard deviation of 1.09. which is strongly believes that Lack of adequate ICT infrastructure affect the daily operation of banking agents.

The forth item of table 10 was to check if substitute products like ATM card, internet Banking and other product affect the service of Agent Banking. As the researcher view from their response the mean is 3.07 with standard deviation of 1.40. Based on the frequency the respondents that representing 90 (50.56) % strongly agreed substitute product affect the service of agent banking and Hence, 6 (3.37%) of customers are undecided on the issues but 82 (46.07%) of respondent disagreed that substitute product never affect the service of agent banking

The fifth item of table 10 was to check if respondents were observe that there is a lack of trust on using agent banking in the society.

Accordingly, majority of the respondents that representing 59 (33.1%) strongly agreed and 32 (18%) agree, totally 91(51.12%) of respondents were agreed on the lack of trust on using agent banking in the society. Hence, 26(14.6%) of customers are undecided on the issues.

Thus, 44(24.7%) of customers and 17(9.6%) of respondents, totally 61(34.27%) of respondents were disagreed that that there is a lack of trust on using agent banking.

The mean score 3.40 and standard deviation 1.40 which is moderately believes that there is a lack of trust on using agent banking in the society.

As indicated in the same Table of item 6, 37 (20.8%) strongly agreed and 65 (36.5%) agree, totally 102(57.30%) of respondents were agreed on the cash limit affects agent business. Hence, 8(5.1%) of customers are undecided on the issues. Accordingly, 67 (37.1%) disagreed and 1 (0.6%) strongly disagree, totally 68 (38.20%) of respondents were disagreed on the cash limit affects agent business. The mean score 3.39 and standard deviation 1.09 which is moderately cash limit affects agent business

The other question the researcher asks was the competition affect to hold your customers. The mean is 3.69 and standard deviation 1.33 which is strongly the competition affect to hold customer. 60 (33.7%) strongly agreed and 62 (34.8%) agree, totally 122 (68.54%) of respondents were agreed on the competition affect to hold customer. Hence, 17 (9.6%) of customers are undecided on the issues. Accordingly, 19 (10.7%) disagreed and 20 (11%) strongly disagree, totally 39 (21.91%) of respondents were disagreed on the competition affect to hold customer.

As can be observed in table 10 item 8, respondents were asked whether the commission that agents get from serving the customers is good or not. Majority of the respondents were strongly agreed which is 33 (18.5%) and 81 (45.5%) of respondent are agree, Totally 114 (64.04%) of respondents were agreed but 36 (20.2%) disagreed and 18 (10.1%) strongly disagree, totally 54 (30.34%) of respondents were disagreed on the commission that agents get from serving the customers is not good. The mean score 3.42 and standard deviation 1.27 which is moderately commission that agents get from serving the customers is good.

CHAPTER FIVE

5. Summary, conclusion and recommendations

This chapter included summary of findings, conclusions and recommendation made based on findings. And possible future research is mentioned. The main research objective was the assessment of agent banking practice in the case of selected Commercial Bank of Ethiopia Debresena, Seladingay, Shewarobit, Yifat and Kewot District. The data collected through questionnaire were presented, analysed, interpreted and discussed. Thus, based on the analysis the following findings were summarized, conclusions drawn, and recommendations forwarded.

5.1. Summary of the Findings

Primary data was gathered by using open ended and closed ended questionnaire. Quantitative research approach and descriptive research design was applied to the data gathered to analyse the information obtained. A total of 178 open ended and close ended questionnaires were distributed to selected five commercial banks of Ethiopia Debresena, Seladingay, Shewarobit, Yifat and Kewot district that had been licensed and implemented agent banking service in Ethiopia. And a total of 178 questionnaires were returned and based on this returned questionnaires the analysis was made. Thus, the major findings were summarized as follow:

The majority 150(84.27%) and 28(15.73%)of agent banking service of Commercial bank of Ethiopia Debresena, Seladingay, Shewarobit, Yifat and Kewot district are males and females respectively. This implies that the participation of both sexes found to be unproportional. Therefore the management bodies of the commercial bank of Ethiopia under five selected branch should have work to promote the participations of females in order to work as an agent banking service. Regarding their ages, the majority of the respondents 104(58.43%) of customers of Agent Banking service of CBE, are found above 33-42 years. This indicated that a large number of customers of Agent Banking service of CBE were found in the aged one. The study also shows, 178(100%) of Agent banking service were less experienced (1-2 years). Thus, the less experienced have agent banking service was difficult to implement effectively and efficiently. However, the majority of agent banking service respondents 60(16.85%) had below grade 12. This implies that the agent banking service giver was that much educated one this makes difficult to implement agent banking service effectively and

efficiently by using technologies why because the service itself needs updated technological skills. Therefore, it is necessary to encourage those who have learned more than grade 12.

The data collected through interview, open ended questionnaires and document analysis were presented and analyzed qualitatively by supplementing the data gathered through close ended questionnaires, and categorized and discussed in line with close ended questionnaires. Thus, the Mean scores were calculated from the responses. For the purpose of easy analysis and interpretation, the mean values of each item and dimension were interpreted as follows. The assessment of the practice of agent banking service with a mean and standard deviation value of 0-1.49 as very low, 1.50-2.49 as low, 2.50-3.49 as medium, 3.50-4.49 as high achievement of the task, and 4.50-5.00 as very high implementations of the activities for both points of scale range.

Depending on the result of data analysis, the following major findings were obtained.

- ❖ The practice of agent banking service of commercial bank of Ethiopia in case of Debresena, Seladingay, Shewarobit, Yifat and Kewot district was identified with problems of inefficient effort of the bank management bodies to conduct and facilitate training for agent and customers who use agent banking service to enhance the services.
- ❖ Thus, insufficient knowledge about the agent banking service, absence of training and support provided on agent banking service, absence of insist others to use agent banking service, lack of skills of customers to use the service, absence of willing to accept agent banking crevices, the speed of the agent banking service and the expensiveness of mobile to get agent banking service those are the major challenge that was identified in the practice of agent banking service under five selected commercial bank of Ethiopia Deberehan district.
- ❖ The results of the study indicate that the banking agent opening and closing hours, the frequency of clients visiting to gets the agent banking service, insufficient experience of the agent banking service and the place where the agent located was the potential problems that identified on the practice of agent banking service under selected Commercial Bank of Ethiopia Deberehan District.
- ❖ Moreover, the majority of respondents confirmed that in the practice of agent banking under five selected Commercial Bank of Ethiopia Deberehan District most of

customers prefer using agent banking service in their transactions other than deposit and withdrawal.

- ❖ The finding of the study more indicated and confirmed that the absence of enough cash at the agent shop identified that who has negatively affected the actual practice of the service.
- ❖ It is also the finding the study more indicated that the practice of agent banking service in terms of affordability, quality and reliability was also the main potential influencer in the practice of agent banking service in those five selected commercial bank of Ethiopia. In addition to this, the finding also revealed that the factors that negatively hinder the practice of agent banking service was stated here under:-
- ❖ The results of the study indicate that 157(88.20%) of respondents agreed that the absence availability of appropriate agent banking channels was the major factors that affect the agent banking service. The mean score 4.42 and standard deviation 0.89 which is strongly believes that the availability of appropriate Agent Banking channels influences the practice of agent banking service.
- ❖ The challenges of the banking location influences the extent of using Agency banking ranked highest with the strongly agree rate of 123 (69.1%) and The mean score is 4.40 and standard deviation is 1.07 which are in the very high agreement which means there is strongly believes that the banking location the factors that influences the extent of using Agency banking.
- ❖ The results of the study also indicate that lack of adequate ICT and telecom infrastructure, was the highest ranked of 146 (82.02%). Accordingly, the mean score of 4.19 and standard deviation of 1.09, which is strongly, believes that lack of adequate ICT infrastructure affect the daily operation of agent banking service.
- ❖ ATM card, internet banking and other product that affect the service of Agent Banking. The mean value the result was 3.07 with standard deviation of 1.40. Thus, based on the frequency the respondents that representing 90(50.56%) strongly agreed substitute with ATM card, internet Banking and other product affect the agent banking service due to absence of working on awareness creation and the difficulty of the technical use of those technologies especially for those who are not educated.
- ❖ Absence of trust on using agent banking in the society was the other problems that identified by this study. Thus, the mean score 3.40 and standard deviation 1.40 which

was moderately believes that there is a lack of trust on using agent banking in the society.

- ❖ The results of the study indicate that 102(57.30%) of respondents were agreed on the cash limit affects agent business. Thus, the mean score 3.39 and standard deviation 1.09 which is moderately cash limit affects agent business.
- ❖ Majority of the respondents 114 (64.04%) of respondents were strongly agreed with the commission that agents get from the service was the factor that affect agent banking service.
- ❖ The finding more indicated that the absence of facilitating and providing training for every concerned body was the other challenge that affects the practice of agent banking service in selected commercial bank of Ethiopia.

5.2. Conclusion

On the basis of data obtained the assessments of practice of agent banking service has been examined. Accordingly, the practice of Agent Banking Service of commercial bank of Ethiopia Debresena, Seladingay, Shewarobit, Yifat and Kewot district was identified with problems of inefficient effort of the bank management bodies to conduct training to enhance agent banking service. A bank management body requires practical activities which can be achieved through collaborative efforts and participation of customer including all concerned bodies. Hence, to mobilize these forces and utilize their potentials more works and access should be provided. In this regard Bank management bodies of commercial bank of Ethiopia Debrebirhan district seems lagging behind and needs to improve practice of Agent Banking Service.

As it is observed from the findings of this study, experience of the agent banking service and the place where the agent located was the potential problems that influenced the practice of agent banking in Commercial Bank of Ethiopia. But it seems that proper attention was not given to experience of the agent banking service and the place where the agent located contribution to the bank goals. These statements clearly show that goals achievement in bank is only through collective effort of employees and customers.

In general, the potential benefit of Customers of Agent Banking Service of commercial bank of Ethiopia seems unquestionable. Thus, the following major points are concluded here under,

- ❖ There is growing interest in many parts of the developing world in delivering financial services through agent banking service has many potential advantages. For providers of banking services, it allows the rollout of a much more granular

distribution network without incurring the large fixed setup and operational costs of branch and ATM networks.

- ❖ Financial service providers can use agents to decongest branches, expand coverage to areas where they do not have branches, or develop lower-cost services for lower-value customer segments. For the customer, agents further reduce the cost of accessing financial services by cutting down on travel time and waiting time at banking outlets.
- ❖ In addition to the above result of the study also shows that lack of willingness on the use of agent banking service are other major factor that identified in the practice of the services. The lack of willingness on the use of agent banking service was associated with agent banking product or service of the bank. Thus, Improvements are required to ensure client confidence. It is also the finding the studies indicate that the practice of agent banking service in terms of affordability, quality and reliability was the main potential influencer in the practice of agent banking service in those five selected commercial bank of Ethiopia. Therefore, the bank management bodies should improve the quality of agent banking service affordability, quality and reliability to promote customers satisfaction.
- ❖ Agent banking service was not well practiced by commercial bank of Ethiopia under five selected Debreberhan district. This is due to low level of ICT and Telecommunication infrastructure and lack of available service channel, which can affect agent banking industry to implement the service, the other point is the commission of agents serving client is low so it have an impact to the agent willingness to serve customers', the other point is environmental factor was location according to the analyses bank can increase its customers by expanding its agent in to the location that the bank couldn't reach.
- ❖ In addition to the above result of the study also shows that absence of trust on using agent banking in the society was the other problems that identified by this study due to absence of training and lack awareness.

5.3. Recommendation

Agent banking service is new development in Ethiopian Banking industry with significant impact in extending the banking services effectively and efficiently to achieve the required objectives with concerted efforts of all stakeholders. As a result of the above conclusions, the researcher of this study recommends the following points:-

- ☞ The practice of agent banking service of commercial bank of Ethiopia Debresena, Seladingay, Shewarobit, Yifat and Kewot district bank management body was should give due intention to conduct training that enhance agent banking service for the concerned stake holders.
- ☞ The bank should assign dedicated manpower to work specifically in monitoring, and evaluation the actual practice of the agent banking service in order to take corrective action to maximize the efficiency of agent banking service.
- ☞ The bank should develops strategies and use different means of promotion in order enforce others customers to use agent banking service.
- ☞ Fulfilling telecom and ICT infrastructure should be gives due consideration in order to make fast the speed of the agent banking service to attract customers.
- ☞ The Bank should be exercised or facilitates the credit package for agent banking service users in order solve the expensiveness of the mobile phone to use the service.
- ☞ The banking agent opening and closing hours should arranged based on the interest of the customers, and other means of capacity building should be practiced in order to develop the experience of the agent banking service, in addition to this agent banking service should be opened and maximize their numbers in areas where commercial bank not existed. .
- ☞ Commercial bank of Ethiopia of Debresena, Seladingay, Shewarobit, Yifat and Kewot district should be give due attention and work hard to change on customer's attitudes to prefer using agent banking service in their transactions, deposit and withdrawal.
- ☞ Commercial bank of Ethiopia of Debresena, Seladingay, Shewarobit, Yifat and Kewot district should be give due consideration in the practice of agent banking service in terms of affordability, quality and reliability in order to make agent banking service effective, efficient and acceptable in everywhere.

- ☞ The Availability of appropriate Agent Banking channels was should facilitate and fulfilled in order to making Agent Banking service effective and preferable one.
- ☞ The bank should be fulfilling ICT and telecom infrastructure in order to making agent banking service easily accessible to anyone who to use the service in everywhere.
- ☞ ATM card, internet Banking and other product should be facilitated and prepared to understand and use the service easily.
- ☞ The commission or the others methods of incentives that promote those agents give the service should be arranged and actually practiced in order to implement the service effectively and efficiently.
- ☞ The bank should also work towards creating awareness to the community and its employees towards the processes and benefits of the agency banking service to exploit the benefits.

APPENDIX ONE

DEBREBREHAN UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MASTERS OF BUSINESS ADMINISTRATION (MBA)

QUESTIONNAIRE TO BE FILLED BY AGENT BANKING SERVICE CUSTOMERS AND EMPLOYEES OF COMMERCIAL BANK OF ETHIOPIA DEBREBREHAN DISTRICT.

Dear respondents

The purpose of these questionnaires is to gather relevant data to the study entitled on **Assessment of Agent Banking practice in selected branch of Commercial Bank of Ethiopia**. Your responses are vital for the success of the study. So you are kindly requested to read all questions and fill the questionnaires with genuine response. Be sure that your responses will not be used for the other purpose rather than academic purpose.

Dear Respondents: I would like to express my sincere appreciation and deepest thanks in advance for your generous time and frank and prompt responses.

Please note the following points before you start filling the questionnaires:

1. You do not need writing your name on the questionnaires
2. Read all the instructions before attempting to answer the questions
3. There is no need to consult other to fill the questionnaires
4. Please provide appropriate response by using a thick mark "x" to choose one of the suggested likert scales. Put kindly write your opinion briefly for the short answer questions on the space provided
5. Please do not leave the questions not answered.

Section One: General Information and Personal data.

1. Indicate your response either by using a tick mark (X) in the box provided or by giving short answers on the space provided.

1.1. Name of Bank-----

1.2. Sex= m F

1.3. Age 18-22 23-27 28-32 33-37 38-42 above

42

1.4. Work experience

Year 1-5 Year 6-10 Year 11-15 Year 16-20 Year 21-25 Year 26-30 Year 31 and above

1.5. Educational back ground

Certificate College Diploma First Degree Second Degree Third degree (PhD) 12 grades complete below grade 12

1.6. Position

Employee/Expert Customer

SECTION TWO

Questionnaires related with how customers perceive Agent banking service in five selected Commercial Bank of Ethiopia Debrebrehan District.

The following lists of statements are used to get relevant information for the accomplishment of the research basic question or objective. Thus, please indicate your level of agreement with each statement by ticking (√) mark on the spaces provided under each option. The options range from Strongly Agree to Strongly Disagree.

Note: SA stands for Strongly Agree, A-stands for Agree, N stands for Neutral, D stands for Disagree, and SD stands for Strongly Disagree.

1. Assessing Customer awareness about the agent banking service?

No	Items	Scale				
		SA	A	N	D	SD
1.1	Is There a Lack of skills to implement or use agent banking service on the customers					
1.2	Do you have sufficient knowledge about the agent banking service					
1.3	Have you attend a meeting or awareness campaign organized by the bank?					
1.4	Do you believe that frequent training is necessary to the agent banking service to exercise well					
1.5	Is there a frequent training and support provided on agent banking service to the customers of the bank					
1.6	Do you insist your customers to use agent banking service.					

2.	Customer attitude based on agent banking service observation					
2.1	Do you think banking agency opening and closing hours Influences the use of Agent banking service?					
2.2	The frequency of clients visiting to get the agent banking service is low					
2.3	The experience of the agent banking service attracts customers					
2.4	Most of your customers prefer using agent banking service in their transactions other than deposit and withdrawal					
2.5	Customers may not be willing to accept agent banking Service					
2.6	Relatively using of Mobile to get banking service is expensive for customers					
2.7	The speed of the agent banking service influences the number of clients using the agent banking service.					
3.	How likely customers will continue using the service in terms of quality, reliability and affordability.					
	In terms of convenience					
1	The place where the agent located is easily accessible me (for parking, transport)					
2	The agent place is close to me					
3	The working hour of the agent enables me to use the service better than bank branches					
4	The service I am getting is easy and comfortable					
	In terms of quality					
1	The agent makes me feel valued customer					
2	During the working hour I always gets the					

	service					
3	The time I spent to get the service is acceptable					
3	Enough cash is available at the agents shop					
4	Agents are providing professional advice and service					
	Reliability					
1	Agents keep customers information secrets					
2	Whenever I went to the agents shop I am getting same quality service					
3	Every time i make transaction through agents it is correctly reflected in my Wallet.					
4	have not had problem with the agents					
5	The service I am getting through agents is similar with that of the bank branches as promised					
6	Do you have satisfaction by using agent banking service					
	Please rank your rank of satisfaction	Very Satisfied	Satisfied	Neutral	Unsatisfied	Very Unsatisfied
7	Do you like that you will continue to be customer of the bank and use agent banking service in future	40	78	15	25	20
	Evaluation factors that affect the agent banking service					
1	I believe that banking location influences extent of use of Agency banking					
2	Availability of appropriate Agent Banking channels influences the adoption of Agent Banking					
3	Lack of available ICT infrastructure affect my daily operation					
4	substitute products like ATM card, internet Banking and other product affect the					

	adoption of Agent Banking					
5	I observe that there is a lack of trust on using agent banking					
6	The cash limit affects my business					
7	the competition affect to hold my customer					
8	The commission that I get from serving the customers are					

5. Please mention others factors that affect the agent banking service that makes customers to feel unsatisfied?

Please write your suggestion or recommendation or strategy that should be practiced to bring improvements on agent banking Services in order to promote customer satisfaction?

Thank you!!

APPEDEX TWO

DEBREBREHAN UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MASTERS OF BUSINESS ADMINISTRATION (MBA)

Interview conducted with manager of 5 selected branch of Commercial Bank of Ethiopia DebreBirhan district of Amhara Regional State.

Dear interviewer

The purpose of these interview is to gather relevant data to the study entitled on Effects of Agent Banking Service on Customer Satisfaction the case of Debrebrehan District under 5 (five) selected branch of Commercial Bank of Ethiopia. Your responses are vita for the success of the study. So you are kindly requested to understand in order to give me genuine response .Be sure that you responses will not be used for the other purpose rather than academic purpose.

Dear interviewer

I would like to express my sincere appreciation and deepest thanks in advance for your generous time and frank and prompt responses.

Interview.

1. Do you have sufficient knowledge about the agent banking service?
2. Have arrange a meeting or awareness campaign organized for customers and employee of the bank?
3. Do you believe that frequent training is necessary to the agent banking service to exercise well?
4. Is there a frequent training and support provided on agent banking service to the customers of the bank.
5. Is there a problem related to training to make customers aware to use the agent banking service?

A. Yes B. No

6. If your answer is yes for question no 2 what are they?

1. Do you believe that training is necessary for effective implementation of agent banking service to promote customer satisfaction?

5. Do you measure the awareness of employees and customer in the use of agent banking service to identify and give immediate solution for the problem to be observed?

A. Yes B. No

6. If your answer is yes for question no 5 what are they?

7. Is there any problem that affect the agent banking service

A/ Yes B/ No

8. If your answer is yes for no 7 what are they?

8. What action will be taken in order to improve the implementation of agent banking service?

Thank you

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