ANTECEDENTS OF AGENCY BANKING ADOPTION IN UGANDA's BANKING SECTOR: A CASE STUDY OF EQUITY BANK CLIENTS IN KAMPALA

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A DISSERTATION SUBMITTED TO THE KYAMBOGO UNIVERSITY GRADUATE SCHOOL IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE MASTER'S DEGREE IN BUSINESS ADMINISTRATION OF KYAMBOGO UNIVERSITY

OCTOBER , 2019

DECLARATION

I, **Jacintah Nazziwa**, declare that this dissertation titled "*Antecedents of Agency Banking Adoption in Uganda's Banking Sector: A Case Study of Equity Bank Clients in Kampala*", is my original work and has not been published or submitted to any university or institution of higher learning for any award.

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Sign……………………………..

Date………………………………..

APPROVAL

This dissertation titled "*Antecedents of Agency Banking Adoption in Uganda's Banking Sector: A Case Study of Equity Bank Clients in Kampala",* has been done under our supervision and has met the research requirements of Kyambogo University and is now ready for submission.

Dr. Maurice Mukokoma

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Date…………………………….

DEDICATION

This dissertation is dedicated to my husband; Mr. Nelson Wanyama and my lovely children;

Fidel Wanyama and Shanel Nabwire as well as my parents Mr. and Mrs. John Kazibwe.

ACKNOWLEDGEMENT

First and foremost, my sincere gratitude goes to my supervisors; Dr. Maurice Mukokoma and Dr. Dan Ayebale for their enthusiastic and professional guidance which has enabled me complete this dissertation successfully.

My sincere gratitude goes to the management of Equity bank and its customers for their efforts towards enabling me accomplish this work in time.

Special thanks to my course mates for their enthusiastic support towards the completion of this dissertation, most especially Ms. Namujjuzi Sylivia and Mr. Nsibambi Vincent.

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LIST OF ACRONYMS

ATM   Automatic Teller Machine

ICT   Information Communication Technology

IS   Information Systems

IT   Information Technology

PEOU   Perceived Ease of Use

PU   Perceived Usefulness

SPSS   Statistical Package for Social Science

TAM   Technology Acceptance Model

TPB   Theory of Planned Behavior

TRA   Theory of Reasoned Action

VIF   Variance Inflation Factor

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ABSTRACT

The study examined the antecedents of Agency banking adoption on Equity Bank clients in Kampala. The study specifically examined the effect of perceived trust on Agency banking adoption on Equity bank clients in Kampala, assessed the effect of perceived usefulness on Agency banking adoption on Equity bank clients in Kampala, and examined the effect of perceived ease of use on Agency banking adoption on Equity bank clients in Kampala. The study adopted the Technology Acceptance Model (TAM) to conceptualize the variables as used in the study. In the study, a case study research design was adopted; convenience sampling technique was used to select a sample of 132 customers from a population of 200 respondents. Out of the 132 questionnaires administered, only 81 questionnaires were filled and returned constituting a response rate of 61.4%. Quantitative and qualitative approaches were used to collect data from Equity bank customers and agents with the help of questionnaires and interview guides respectively. In the study, analysis was done at different levels first with descriptive statistics, followed by correlation and later regression analysis. The findings of the study revealed that perceived trust was the strongest predictor of Agency banking adoption among Equity bank customers (Beta=0.368, p=.000), this was followed by perceived usefulness (Beta=0.272, p=0.004) and lastly perceived ease of use (Beta=0.261, p=0.007). The study recommended that efforts should be done to enhance perceived trust, perceived usefulness, perceived ease of use in a bid to increase agency banking adoption. Future studies should be done in relation to agency banking and customer satisfaction as well as agency banking and financial performance.

Key words: Perceived trust, perceived usefulness, perceived ease of use, agency banking adoption.

CHAPTER ONE

INTRODUCTION

1.0: Introduction

The study examined the antecedents of Agency banking adoption Equity bank clients in Kampala. The study specifically focused on examining the effect of perceived trust, perceived usefulness and perceived ease of use on Agency banking adoption among Equity bank clients in Kampala. This chapter discusses the background to the study, statement of the problem, purpose of the study, specific objectives, research questions, conceptual framework, the significance of the study, scope of the study and operational definition of terms.

1.1: Background to the study

1.1.1: Historical Background

The concept of agency banking dates back since 1999. However, it became more prominent in 2000 after the system was adopted by a number of states in Latin America (Watiri, 2013). The agency banking system has been adopted by the different states with varying success rate (Tindi & Bogonko, 2017).

Brazil was the global pioneer to adopt agency banking in 2000 where it developed a network of bank agents covering over 99% of its municipalities (Mckay, 2011). By 2010, the country had approximately 151,958 bank agents functioning (The national treasury, 2012). Later in 2003, the Central Bank of Brazil expanded the system to allow all financial institutions and other authorized institutions to provide agent banking services, including investment banks, finance companies and savings and loans associations (Life, n.d.).

Other countries in Latin America which followed suit in adopting agency banking system were, Peru in 2005, Colombia in 2006, Ecuador in 2008, Mexico and Venezuela in 2009 (Mckay, 2011). In Colombia, the original agent banking regulation was passed in 2006 and

specified that any commercial bank, commercial finance company, or regulated savings and credit cooperative could use the agent banking model (The national treasury, 2012).

Over 22.3 million payment transactions were performed by banking agents in 2010, representing 77% of all transactions performed by agents (Mandrile, n.d.). In Colombia, 11 financial institutions were using agent banks to increase their physical presence in the country, including commercial banks (The national treasury, 2012).

Pakistan wasn't exceptional by adopting agency banking with approximately 17500 bank agents (Anwar, 2012). Around September of 2011, the country had made over 15.88 million transactions amounting to Rs 58,710 million with an average transaction of Rs 2700 (Mungai, 2016).

Following the success of agency banking in Latin America and Brazil, a number of African countries like, South Africa, Nigeria, Kenya and Uganda embraced the system (Watiri, 2013). Agency banking was implemented in South Africa in 2005 after the amendment of Bank Act giving banks the green light to contract nonbank third parties to collect deposits, money due to the bank or applications for loans or advances, or to make payments to such clients on banks' behalf (Bold, 2011). The adoption levels were boosted by the South African regulatory framework which gave a broad discretion to banks to use nonbank third parties to offer banking services beyond their traditional branch network, either as agents or through outsourcing arrangements (Muoria & Moronge, 2018).

The agency banking system was introduced in Nigeria in 2013 following the enactment of the regulations by the central bank of Nigeria to guide the implementation of agency bank systems in Nigeria as a way of increasing financial inclusion and delivering banking services in a cost effective manner (The national treasury, 2012). First bank of Nigeria was the first bank to roll out with approximately 500 bank agents in all parts of Nigeria (CBN, 2014).

In Ghana, agency banking was introduced in 2008 by allowing bank-based model of branchless banking using nonbank retail agents. Though the potential for agency banking was recognized in 2008 in Ghana and guidelines set to support it, a complicated regulatory relationship between the Telco's and banks has inhibited its adoption to full potential. With this in mind, the Bank of Ghana is in the process of updating the regulatory guidelines (Mckay, 2011).

In addition, agency banking in Kenya was unveiled in 2011 following the enactment of agency banking regulations in 2010 by the Central Bank of Kenya. Kenya commercial bank (KCB) was the first bank to rollout agency banking in 2011, it further expanded it to its branches in Rwanda (2014), Burundi (2015), Tanzania (2015) and Uganda in 2017 (KCB, 2017). This was followed by Equity Bank Kenya and Cooperative Bank of Kenya. According to the Central Bank of Kenya statistics on the distribution of agents, 87% are within 3 banks that's to say; Equity Bank with the highest number of agents (28,663) constituting 47%, followed by KCB (14,466) totaling to 23.6% and lastly Cooperative bank with 11203 agents constituting 18.3% (Central Bank of Kenya Supervision Report, 2017).

In Uganda, the amendment of the financial institutions Act of 2004 by parliament paved way for the introduction of agency banking system in Uganda in 2016 with the aim of increasing financial inclusion (Bank of Uganda and the Ministry of Finance Report, 2017).

After the amendment of the Act, banks embraced the system as a strategic decision following the direct competition from mobile money services. Mobile money operations had posed a direct threat to the financial performance of the banks by negatively affecting the sales growth, customer base, market expansion, market share, liquidity and profitability (Bank of Uganda Annual report, 2017).

1.1.2: Conceptual background

In this study, perceived trust, perceived usefulness and perceived ease of use constituted the independent variable whereas, Agency banking adoption constituted the dependent variable.

According to Roca, García, José, & Vega (2016) perceived trust is a critical factor in an online transaction where the consumer does not have direct control over the actions of the vendor. An information system which lacks trust in terms of privacy, security affects the rate at which customers adopt it. The increasing concern regarding security, privacy and the intended uses of personal information has made customers feel reluctant to provide their personal information in a system (Roca et al., 2016).

This is in line with Al-Jabri (2018) who defined perceived trust as the user's relative confidence in the agency banking service itself. This relates to an individual's perceived security of the transactions conducted on the internet or on mobile devices.

According to Miranda, Rubio, Chamorro, and Loureiro (2016), perceived usefulness can be defined as "the extent to which an individual believes using an information system will enhance their productivity. In line with the above, Davis (1989b) also defined perceived usefulness as used in his model of Technology acceptance, as "the degree to which a person believes that using a particular system would enhance his /her job performance."

 When customers perceíve the agency banking system being useful, their chance of adopting the it increases. On the other hand, when customers feel the system is not advantageous, they will hesitate from using it that's to say, customers could use the agency banking system if they find it useful and advantageous (Davis, 1989b).

Perceived ease of use refers to "the degree to which a person believes that using a particular system would be free of effort" This follows from the definition of "ease", "freedom from difficulty or great effort" (Davis, 1989a).

An information system which is perceived by potential users to be easier to operate than others will be more likely to be accepted by the users (Davis, 1989). Perceived ease of use explains the user's perception of the amount of effort required to utilize the system or extent to which a user believes that using a particular technology will be effortless (Davis, 1989b).

An information system ranked high in perceived ease of use will always be preferred by users since less mental efforts and resources will be required to perform such a system. Davis (1989) went ahead to give some of the indicators of perceived ease of use which include; ease in learning and understanding the system, growth in skills of the user as a result of using the system, and ease in operation as well as the ability of the information system to do what is desired by the users.

According to Gitonga, Wario, and Wako (2015), agent banking refers to an arrangement by which licensed financial institutions engage third parties to offer certain banking services on their behalf. Agent banking contracts are private contracts where each contract determines the scope of services, fees paid and how risk will be shared. In addition, agent banking is devised to deal with the challenges associated with serving low income or bottom of pyramid customers.

Agency banking agents help financial institutions to reduce on the congestion in banking halls as well as costs of setting up a branch in different parts of the country by providing the same financial services which would have been obtained in a banking hall in a more convenient and affordable manner (Njunji, 2013).

Similarly, Njogu and Wanyoike (2014) also defined agency banking as the means through which commercial banks expand the number of bankable clients by diversifying from the traditional banking system in the banking halls to creation of agency relationships with third parties in order to reach more customers' needs.

1.1.3 Contextual background

Equity bank Uganda was introduced in 2009 as a subsidiary to Equity Bank Group Limited in addition to other subsidiaries in Rwanda, Tanzania, South Sudan and DRC. As of now, Equity Bank Uganda has 33 branches in the different parts of the country. The bank serves over 600,000 customers, has over 35ATMs, and employs over 700 people in its different branches country wide (Equity Bank Group Annual Report, 2017).

The amendment of the Financial Institutions Act of 2016 by the Parliament of Uganda, paved way for the introduction of agency banking system in Uganda in 2016 with the aim of increasing financial inclusion (Bank of Uganda and the Ministry of Finance Report, 2017).

In Uganda, to maximize financial inclusion, Equity Bank Uganda was one of the first banks to rollout the agency banking system in the name of "Equi Duuka" following its success in the different subsidiaries of the Equity Bank Group in Kenya, Rwanda, DRC, South Sudan and Tanzania in order to take its services closer to the customers and reduce on the costs of operation. In April 2017, Equity bank launched its "Equi Duuka" to ease accessibility to financial services with specific focus on low income earners and rural population. With this system, the bank has experienced a steady growth in its accounts book with more than 400,000 accounts opened through agency banking out of the 683,000 accounts that were opened in the period under review (Equity Bank Group Annual Report, 2018).

The bank closed 2018 with over 1683 agents a year after the banking embracing the new system. This system allows the bank to use fellow banks, mobile money agents, pharmacies,

petrol stations, supermarkets, hardware to open accounts, receive deposits, effecting withdrawals and carryout other transactions in order to deepen financial inclusion (Equity Bank Group Annual Report, 2018).

1.1.4: Theoretical background

This research study was modeled basing on the Technology Acceptance Model advanced by Davis in 1989 since it is one of the most popular theories that is widely used to explain information system usage in organizations. The model was adapted from Theory of Reasoned Action (TRA), which was originally proposed by Fishbein and Ajzen in 1975.

Technology Acceptance Model is an information system theory used to predict and explain the user acceptance of an information system. The model addresses the reasons why users either accept or reject particular information system. The model suggested that the users' motivation to use the system is determined by perceived usefulness, perceived ease of use and attitude towards using the system (Davis, 1989b).

Technology Acceptance Model illustrates that users' adoption of any new information system is determined by the users' intention to use that system, which is in turn determined by the users' beliefs and attitudes about the system (Chuttur, 2009).

Davis further proposed that system use is a response that can be explained or predicted by user's motivation which in turn, is directly influenced by an external stimulus consisting of the actual system 's features and capabilities (Chuttur, 2009).

Relying on the works by Fishbein and Ajzen (1975) who formulated the theory of reasoned action and other related research studies, Davis suggested that user's motivation can be explained by three factors; Perceived ease of use, perceived usefulness and attitude towards using the system. He further hypothesized that the attitude of a user toward a system was a

major determinant of whether the user will actually use or reject the system (Davis, 1989b).

The attitude of the user is in turn considered to be influenced by two major beliefs; perceived usefulness and perceived ease of use where the user's attitude has a direct influence on his/her perceived usefulness (Davis, 1989b). Technology Acceptance Model suggests that perceived usefulness and perceived ease of use predicts the attitude towards the use of a technology which subsequently predicts the behavioral intention to use hence predicting the actual adoption and usage of that technology (Davis, 1989b).

Perceived usefulness refers to the degree to which a person believes that using a particular system would enhance his/her job performance. He further defined perceived ease of use as "the degree to which a person believes that using a particular system would be free from effort" (Davis, 1989b).

The user's intention to adopt the system is determined by their beliefs and attitudes towards the system that's is to say, if they believe the system will be used free of effort as well as it improving their performance (Davis, 1989b).

The relevance of this theory in this study is the fact that agency banking is a new innovation for which the customers have to prove its relative advantage (perceived usefulness) as well as its technology complexity (perceived ease of use) when compared to other already existing banking alternatives such as ATMs, banking halls to mention but a few. However, when the perceived benefits of using the system outweigh the ease in use, customers will still adopt the system thus perceived usefulness being the strongest predictor for the intention to use the agency banking system.

1.2: Statement of the problem

In 2017, Equity Bank Uganda introduced agency banking with an intention to bring banking services closer to the customers. Prior to its inception, the bank registered over 2000 agents countrywide (Equity Bank Group Annual Report, 2018).

A number of initiatives have been done so as to increase the rate of adoption of the agency banking system for example, customer sensitizations programs, educational advertisements on various media platforms to mention but a few (Equity Bank Group Annual Report, 2018).

Nonetheless, the rate of adoption of the agency banking system is still below the targets. This is evidenced in the Equity Bank Group Annual Report (2018) where the actual number of transactions registered using the agency banking system was 1.3 million transactions which was below the target of 6.7 million transactions to be made. In the same report, the actual amount of money deposited using the system was shs.13.3 billion which was also below the targeted shs.93 billion. This has prompted the researcher to investigate why the adoption rate of the system is still low by examining the antecedents of agency banking adoption.

1.3: The purpose of the study

The objective of the study was to examine the antecedents of Agency banking adoption among Equity bank clients in Kampala.

1.3.1: Specific objectives of the study
i) To examine the effect of perceived trust on Agency banking adoption among Equity bank clients in Kampala.
ii) To assess the effect of perceived usefulness on Agency banking adoption among Equity bank clients in Kampala.

iii) To analyze the effect perceived ease of use on Agency banking adoption among Equity bank clients in Kampala.

1.4: Research Questions

i)   What is the effect of perceived trust on Agency banking adoption among Equity bank clients in Kampala?

ii)   What is the effect of perceived usefulness on Agency banking adoption among Equity bank clients in Kampala?

iii)   What is the effect of perceived ease of use on Agency banking adoption among Equity bank clients in Kampala?

1.5: Conceptual Framework

The conceptual framework of a study explains the system of concepts, assumptions, expectations and theories that supports and informs your research (Miles, Huberman, & Saldana, 2014). The conceptual framework below explains the antecedents of agency banking adoption.

Independent Variable

Perceived trust
- Security
- Confidentiality
- Reliability

Perceived usefulness
- Service efficiency
- Actual benefits
- Accessibility

Perceived ease of use.
- Ease to operate
- Ease to learn
- System effectiveness

Dependent Variable

Agency banking adoption
- Frequency of use
- Rate of adoption

Source : Based on earlier works of Al-Jabri (2018); Zigale (2018) and modified.

Figure 1: Conceptual Framework

The above conceptual framework was built basing on the theoretical framework of the technology acceptance model by Fred Davis in 1989 and the literature reviewed in empirical studies made by different scholars. The framework above shows the relationship between the antecedents of Agency banking adoption as the independent variable and Adoption of agency banking system as the dependent variable.

Antecedents of Agency banking adoption as the independent variable was operationalized in terms of; perceived trust, perceived usefulness and perceived ease of use basing on earlier studies of (Zigale, 2018; Davis, 1989b). Perceived trust in the study was conceptualized along dimensions of; security, confidentiality and reliability (Al-Jabri, 2018 ; Zigale, 2018). Perceived usefulness was operationalized by; service efficiency, actual benefits and accessibility (Zigale, 2018). Perceived ease of use was measured in terms of; ease to learn, ease to operate and system effectiveness (Davis, 1989b; Zigale, 2018). Lastly, Agency banking adoption as a dependent variable was conceptualized in terms of; frequency of use and rate of adoption (Zigale, 2018).

1.6: Scope of the study

1.6.1: Content scope

The study aimed at investigating the antecedents of Agency banking adoption among Equity Bank clients in Kampala. The study specifically examined the effect of perceived trust on Agency banking adoption among Equity Bank clients in Kampala, assessed the effect of perceived usefulness on Agency banking adoption among Equity Bank clients in Kampala, and examined the effect of perceived ease of use on Agency banking adoption among Equity Bank clients in Kampala.
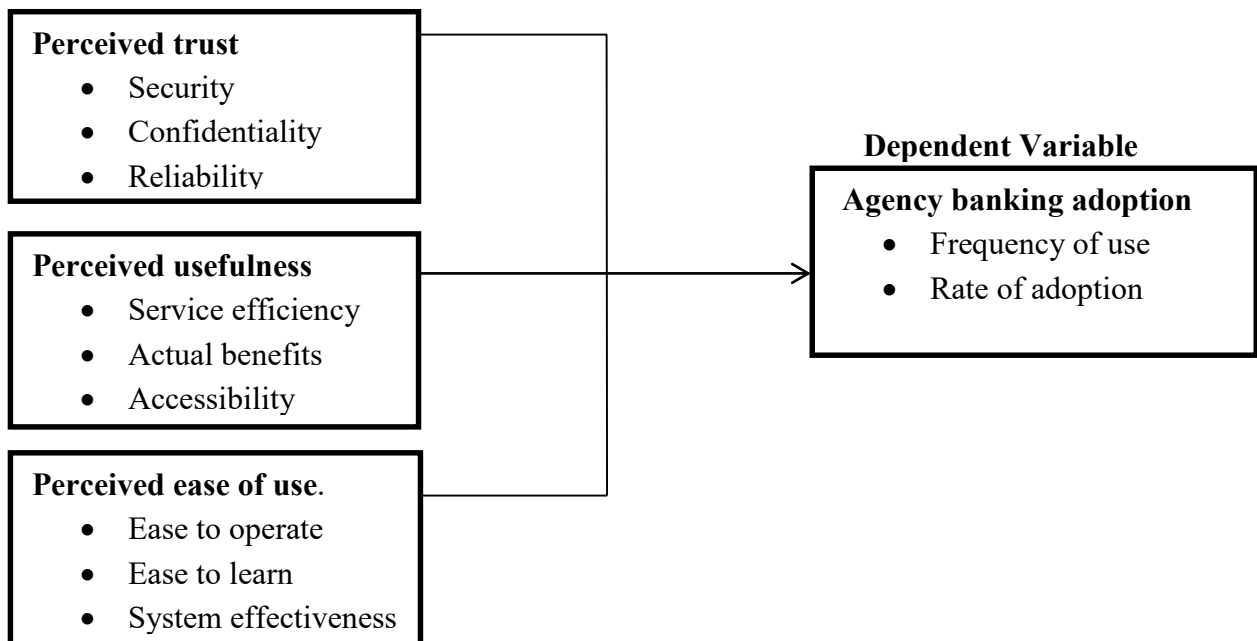
In the study, perceived trust, perceived usefulness and perceived ease of use were considered as the antecedents of agency banking system adoption. Customers always prefer a system

which is ranked high in perceived trust, perceived usefulness and perceived ease of use. An agency banking system should be secure and credible enough, advantageous and require less mental efforts to operate (Lai, 2017).

1.6.2: Geographical scope

The study was conducted at the Equity Bank Head Office in Kampala. Equity bank Head Office is suited in the heart of Kampala city on Church house along Kampala road. The Head Office was selected due to the fact that it has the largest number of customers as compared to its branches.

1.6.3: Time scope

The study reviewed related literature and reports from 2000 up to date. The year 2000 was considered because this is the period when agency banking was introduced in the world that's to say in Brazil and Latin America which were the pioneers of agency banking.

1.7: Significance of the study

The study would broaden the researchers understanding pertaining the relationship between agency banking adoption and gain skills which will be used and exploited at future date for similar activities.

The research findings would be of use to the management of Equity bank in Uganda, as they will obtain information in regards to agency banking adoption for further decision making in the organization.

1.8: Operational definitions

Agent banking contracts are private contracts where each contract determines the scope of services, fees paid and how risk will be shared. In addition, agent banking is devised to deal with the challenges associated with serving low income or bottom of pyramid customers (Gitonga et al., 2015).

Technology acceptance model (TAM) refers to the model developed by Davis in 1989, to measure user acceptance of new technologies. The model uses two specific variables; perceived usefulness and perceived ease of use which are hypothesized to be fundamental determinants of user acceptance of any innovation (Davis, 1989b).

Perceived usefulness refers to the degree to which a person believes that using a particular system would enhance his/her job performance (Davis, 1989b).

Perceived ease of use refers to the degree to which a person believes that using a particular system would be free of effort (Davis, 1989b).

2.1: Introduction

This section presents the related literature on empirical and theoretical studies. The literature in this study was reviewed basing on empirical works and studies by other research scholars regarding trust, perceived usefulness and perceived ease of use on adoption of agency banking in Equity bank.

2.2: Theoretical review

The Technology Acceptance Model was utilized to explain the effect of perceived trust, perceived usefulness and perceived ease of use on adoption of agency banking.

2.2.1: Technology acceptance model

The technology acceptance model proposed by Fred Davis in 1989 to explain information system usage in organizations (Davis, 1989b). Davis suggested that the willingness of a user to adopt or not to adopt a new technology is determined by his/her attitude towards using the innovation (Davis, 1989b). Since the introduction of the technology acceptance model, many studies have applied it to explain and predict the user acceptance and usage of information technology. Technology Acceptance Model explains that users' adoption of any new information system is determined by their intention to use that system, which is in turn determined by the users' beliefs and attitudes about the system (Chuttur, 2009).

 Relying on the works by Ajzen and Fishbein (2012) who formulated the theory of reasoned action and other related research studies. Davis (1989a) suggested that user's motivation can be explained by three factors by three factors: Perceived ease of use, perceived usefulness and attitude towards using the system. Perceived usefulness refers to the degree to which a person believes that using a particular system would enhance his/her job performance" Davis (1989b).

He further defined perceived ease of use as "the degree to which a person believes that using a particular system would be free from effort"(Davis, 1989a). Consumers will adopt the agency banking system if they believe the system offers more value in regards to assessing banking services than the conventional banking system. The continued usage of the agency banking system will depend on the perceived benefits and success stories of customers who have adopted the system hence increasing the adoption rate and usage of the system (Zigale, 2018).

However, since perceived ease of use and perceived usefulness might not conclusively explain the user's intention and attitude towards the adoption of agency banking systems, additional variables such perceived trust will be embedded in the model (Davis, 1989b).

The relevance of this theory in this study is the fact that agency banking is a new innovation for which the customers have to prove its relative advantage (perceived usefulness) as well as ease in operation (perceived ease of use) when compared to other already existing banking alternatives. However, when the perceived benefits of using the system outweigh the ease in use, customers will still adopt the system thus perceived usefulness being the strongest predictor for the intention to use the agency banking system.

According to Al-Fahim (2013), number of studies have utilized the technology acceptance model (TAM) to understand the users' attitudes and beliefs in regards to the adoption of agency banking which include; Irura and Munjiru (2013) ; Mungai (2016) ; Mamwa (2014) ; Kariuki and Namusonge (2016) ; Zigale (2018).

Irura and Munjiru (2013) examined the effect of technology adoption on the banking agency in rural Kenya. A sample of 80 SMEs and 20 agency banks was selected from Likuyani and Karatina districts in western Kenya using stratified sampling. In their study, the technology acceptance model was adopted to expound on the adoption of agency banking. The findings of the study revealed that perceived usefulness and perceived ease of use as used in the technology

acceptance model were statistically significant in relation to adoption of agency banking in Likuyani and Karatina districts of western Kenya.

This is in line with Mungai (2016) who conducted a study on the factors influencing adoption of agency banking by commercial banks in Kenya. In her study, the technology acceptance model was also adopted to explain the effect of technology factors on the adoption of agency banking in 11 commercial banks in Kenya. A sample of 33 employees was selected from the population. The findings of the study indicated that perceived usefulness, perceived ease of use were the srong predictor of agency banking adoption among 11 commercial banks of Kenya.

Similarly, Mamwa (2014) also conducted a study on the consumer attitude towards agency banking in commercial banks of Kenya by customers of commercial banks offering agency banking in Machakos Township in Kenya where the technology acceptance model was also adopted to investigate the consumer attitudes towards the agency banking system. The findings of the study indicated a statistically significant positive relationship between the consumer's attitudes towards agency banking with a mean of 3.79. The study concluded that perceived usefulness and perceived ease of use attributed to the consumer attitudes towards the adoption of the agency banking system.

In addition, Kariuki and Namusonge (2016) also conducted a study on the factors influencing the growth of agency banking of commercial banks in Trans Nzoia County in Kenya.In their study, the technology acceptance model was utilized to expound on the factors influencing the adoption and growth of agency banking in Kenya. Constructs of perceived usefulness (agent distance and security) as well as perceived ease of use (Technology infrastracture) were used. The findings of the study revealed that; there was a significant negative relationship between technology infrastructure and growth of agency banking in Trans Nzoia County at 1% level of significance. There was a significant positive relationship between agents to bank distance and

growth of agency banking of commercial banks in Trans Nzoia County at 1% level of significance. There was a significant positive relationship between security and growth of agency banking of commercial banks in Trans Nzoia County at 1% level of significance.

In conjuction with the above, a study conducted by Zigale (2018) on the challenges and prospects for agency banking in Ethiopia, the technology acceptance model was also utilized to explain the challenges and opportunities regarding adoption of agency banking in Ethiopia. In this study, perceived economic factor, perceived usefulness, perceived ease of use, perceived trust and perceived risk were used. The findings of the study indicated that perceived usefulness, perceived trust had a significantly positive relationship with the actual usage of agency banking whereas, perceived ease of use, perceived risk and perceived economic factor had a significantly negative relationship with the actual usage of agency banking in Ethiopia. In relation to the above, the study will adopt perceived usefulness, perceived ease of use and perceived trust since they constitute the extended technology acceptance model to investigate the antecedents for adoption of agency banking in Uganda's banking sector.

2.3: Conceptual review

2.3.1: Perceived Trust

Perceived trust can be defined as the confidence the user has in the mobile device being used to conduct the online transaction (Leonard, Jones, & Jones, 2013). This is in line with Al-Jabri (2018) who defined perceived trust as the user's relative confidence in the agency banking service itself. This relates to an individual's perceived security of the transactions conducted on the internet or on mobile devices.

According to Roca, García, José, & Vega (2016) perceived trust is a critical factor in an online transaction where the consumer does not have direct control over the actions of the vendor. An information system which lacks trust in terms of privacy, security affects the rate at which

customers adopt it. The increasing concern regarding security, privacy and the intended uses of personal information has made customers feel reluctant to provide their personal information in a system (Roca et al., 2016).

2.3.2: Perceived Usefulness

Perceived Usefulness is defined as the subjective probability that users will increase their productivity when using a specific application in their work; this application will help them to do a better and more efficient job (Lai, 2017). According to Davis (1989a) perceived usefulness can be defined as the degree to which an individual believes that a particular system would enhance job performance within an organizational context. Similarly, Chitungo and Munongo (2012) also defined perceived usefulness as the degree to which a person believes that using a particular information system can improve his/her performance.

Contrary to the above, Farivar, Yuan, and Turel (2016) explains perceived usefulness as the benefits used by an individual to assess the utility derived from using a particular information system which is in turn based on their willingness to transact using that system.

More so, the concept of perceived usefulness is based on a theoretical framework that includes the theory of self-efficacy, the theory of behavioral decision, the theory of expectations, and the theory of the diffusion of innovations, the theory of reasoned action and the theory of planned behavior (Li, 2010).

The technology acceptance model which was advanced basing on the Theory of Reasoned Action (TRA) Ajzen & Fishbein (2012) seeks to explain behavior and the intention of using a technology as well as factors that influence the user (Lai, 2017). The behavioral intention to use a particular information system is determined by the perceived usefulness which is in turn

influenced by the perceived ease of use and the attitude towards using this technology (Li, 2010).

The theory of self-efficacy advanced by Albert Bandura in 1982 explains that individual behavior is influenced by the beliefs of expected result of this behavior. The concept of perceived usefulness corresponds to the beliefs of expected result (Bandura, 2012).

Similarly, the Theory of Diffusion of Innovations advanced by Rogers in 2003 explains the diffusion process of an information system within a population depends on five factors, including the relative advantage which means that the individual perceives the new technology as better than the one that it replaced (Chia Cua & Garrett, 2010). The relative advantage of the technology as explained in the theory of diffusion of innovations concurs with the perceived usefulness as defined used in the Technology Acceptance Model (Rauniar, Rawski, Yang, & Johnson, 2014).

An information system ranked high in perceived usefulness will always be preferred that's is to say; an information system whose economic and performance benefits outweigh the effort needed to operate will always be preferred by the customers to one where the customer doesn't need a lot of mental efforts to operate yet few performance and economic benefits are derived from using it (Lai, 2017).

Customers will decide to use or not use a particular information system basing on the extent to which adopting that information system will enable them perform better on their jobs. If potential users believe that a particular system will be useful, then the chance of adopting it increases (Li, 2010).

2.3.3: Perceived Ease of Use

Perceived ease of use refers to "the degree to which a person believes that using a particular system would be free of effort" This follows from the definition of "ease", "freedom from difficulty or great effort" (Davis, 1989). An information system which is perceived by potential users to be easier to operate than others will be more likely to be accepted by the users (Davis, 1989). Perceived ease of use explains the user's perception of the amount of effort required to utilize the system or extent to which a user believes that using a particular technology will be effortless (Kim, Chun, & Song, 2009).

Perceived ease of use has been established from previous research to be an important factor influencing user acceptance and usage behavior of information technologies. The Theory of Reasoned Action advanced by Ajzen and Fishbein in 1975 perceived ease of use and perceived usefulness are the variables which define a person's viewpoint towards his/her intention to use a technology, where intention to use acts a mediator in utilizing the system (Davis, 1989).

An information system ranked high in perceived ease of use will always be preferred by users since less mental efforts and resources will be required to perform such a system. Davis (1989) went ahead to give some of the indicators of perceived ease of use which include; ease in learning and understanding the system, growth in skills of the user as a result of using the system, and ease in operation as well as the ability of the information system to do what is desired by the users.

Perceived ease of use consists of the following determinants: easy to use, easy to read, using understandable terms, able to link to search for related information and easy to return to previous page. Users believe that a given application may be successful, but they may, at the same time, believe that the technology is too hard to use and that the performance benefits of usage are outweighed by the effort of application (Davis, 1989a).

2.3.4: Agency banking adoption

Agency banking is a component of branchless banking which leverages on ICT to provide financial services outside the traditional brick and mortar bank premises (Quigg, 2013). Agency banking enables customers to conduct financial transactions at third party retail outlets such as post offices, supermarkets and grocery stores, pharmacies, and gas stations (Aiyar, n.d.).

These retail agents manage transactions (deposits, payments and cash withdrawals) on behalf of the financial institution which are in turn remunerated on commission basis (Kariuki & Namusonge, 2016). With the introduction of agency banking, banks are able to meet the diverse financial needs of their customers in different parts of the country hence improving their market share, profitability as well as competitiveness. Banks are able to expand access to financial services especially to the unbanked population in the rural areas where it has been costly to open up a branch in those areas (Kariuki & Namusonge, 2016).

According to Mas (2009) technology-enabled agent rather than a bank branch teller, conducts financial services such as making deposits, withdraws, and transfers funds and paying bills for the clients on behalf of the bank. Agency banking involves movement of financial services beyond conventional banking systems to more scalable and low cost channels so as to ensure financial services are provided profitably and sustainably to all segments of the population that were previously untapped (Mas, 2009).

2.4: Empirical Literature

This section was structured in relation to the objectives of the study, that is, the effect of perceived trust on adoption of agency banking, the effect of perceived usefulness on adoption of agency banking and the effect of perceived ease of use on adoption of agency banking.

2.4.1: The effect of perceived trust on adoption of agency banking

Various studies have been conducted by different scholars on the effect of perceived trust on adoption of agency banking which include; Zigale (2018); Kariuki & Namusonge (2016); Onwonga (2017); Agalla (2014); Mwangi & Mwangi (2014) ; Muoria & Moronge (2018).

Zigale (2018) conducted a study on the challenges and prospects of agency banking in Ethiopia. Out of the 144 questionnaires returned, 92% of the participants agreed that putting money in banks is safe, 78% of them had trust in agents whereas 77% of the respondents had trust and reliability in the agency banking system. In conclusion, the findings of the study indicated that perceived trust had a significant positive relationship with adoption of the agency banking system.

In a study conducted by Kariuki and Namusonge (2016) to examine the factors influencing the growth of Agency banking of commercial banks in Trans Nzoia County in Kenya. A sample of 222 registered bank agents across the five constituencies in the county were selected to participate in the study. The findings of the study indicated that there was a significant positive relationship between security and growth of agency banking of commercial banks in Trans Nzoia County in Kenya at 1% level of significance. Since security is one of the constructs used to measure perceived trust in the study, this implies that there is positive impact of perceived trust on the actual usage of the agency banking system.

Onwonga (2017) also conducted a study on the challenges facing growth of agency banking in Kenya in Kisii County. In their study, a sample of 96 agency banks was selected. The findings of the study indicated there was a significant positive relationship between confidentiality of customer's information and growth of agency banking in Kenya. This implies that the more confidential customer's information is kept, the more the growth of agency banking in Kenya.

In relation to insecurity, the findings indicated that there was a significant negative relationship between insecurity and growth of agency banking in Kenya.

Since confidentiality of customer's account information and security of the overall system are the dimensions used in the study to measure perceived trust, this implies that there is a significant positive relationship between perceived trust and growth of agency banking in Kenya. These findings concur with (Mwangi & Mwangi, 2014).

More so, Agalla (2014) conducted a study on the challenges affecting the effective implementation of agency banking system in Kiambu county. A descriptive survey design was used and a sample of three commercial banks was used that's to say, Equity bank, cooperative bank and Kenya Commercial bank in Kasarani County. The findings of the study indicated that there was a significant positive relationship between security and growth of agency banking of commercial banks in Kasarani County at 1% level of significance. This implies that there is positive impact of perceived trust on the actual usage of the agency banking system.

Mwangi and Mwangi (2014) conducted a study on factors influencing the uptake of agency banking services by customers in commercial banks in Kenya. The findings of the study revealed that security affects the use of agency banking in Kenya Commercial Bank. Customers are worried about the security of the agency banking system in Kenya as a result of advancement in technology. The findings of the study indicated that most of the customers were experiencing cases of fake money as well as theft and robbery at agency banking centers in Nairobi hence the low adoption rates of agency banking. This implies that there is a negative relationship between insecurity and adoption of agency banking in Kenya.

This is in agreement with the findings of Muoria and Moronge (2018) who conducted a study on the effect of agency banking adoption on customer retention in KCB Bank. In their study, stratified random sampling was used to select a random sample of 120 agents of KCB. The

findings also revealed that there was a positive and significant association between agency security and agency banking adoption. These results concur with Agalla (2014) who found out that the more the customers feel safe, the higher the adoption of agency banking while the more they feel insecure, the lower the approval of agent banking.

2.4.2: The effect of perceived usefulness and adoption of agency banking

The effect of perceived usefulness on the adoption of agency banking has been researched by different scholars and these include; Mungai (2016) ; Gitonga et al. (2015); Zigale (2018); Kalinda, Rukangu, & Rintaugu (2016); Mungai (2017).

Mungai (2016) conducted a study on the factors influencing the adoption of agent banking by commercial banks in Kenya. The target population of the study was 11 commercial banks which had embraced agency banking in Kenya where a sample of 33 employees were selected from the entire population. The findings of the study showed that technological factors affecting the adoption of agency banking was relative advantage or perceived usefulness. The findings implied that technology relative advantage had a significant effect on behavioral intention to adopt the agency banking system. This implies that perceived usefulness has a significant positive relationship with adoption of agency banking in Kenya.

In a study conducted Gitonga et al. (2015) to investigate factors affecting adoption of agent banking in Kenya. Using a Cross-sectional survey design, 43 banks were grouped into two categories; those that had implemented agent banking strategy and others who were yet to embrace the strategy. Simple random sampling technique was then used to pick 9 banks and 27 banks respectively from the two groups of those who adopted the strategy and those who are yet to embrace the strategy. The findings of the study concluded that relative advantage or perceived usefulness which was one of the technological factors had a significant positive relationship with adoption of the agency banking system.

In line with the above, Zigale (2018) conducted a study on the challenges and prospects of agency banking in Ethiopia. Out of the 144 questionnaires returned, 8% of the respondents believed that agent banking was useful, 76% of the respondents agreed that agent banking helps them to complete banking services quickly whereas, 90% of the respondents agreed that agent banking reduces on the cost of making transactions. In conclusion, the findings of the study indicated that perceived usefulness had a significant positive relationship with adoption of the agency banking system. This conceals with Mungai (2017) where the findings of the study indicated that, there is a reduction in the adoption of a system by the customers when the cost of using it increases.

Kalinda, Rukangu and Rintaugu (2016) conducted a study on the influence of agency banking services on service delivery in Equity bank. The study sought to establish the extent to which ease of access, flexibility of working hours, cost-effectiveness and banking hall decongestion promote service delivery in Equity Bank in Kenya. The study revealed that there is a positive significant relationship between ease of access and flexibility of working hours on service delivery hence increasing the adoption of agency banking.

Contrary, the findings also indicated that there is a significant negative relationship between cost of banking services and adoption of agency banking. This is in agreement with Mungai (2017) where the findings of the study indicated that, when the cost of using the system increases, a reduction in the adoption of that system by the customers. In this study, perceived usefulness will be measured in terms of cost saving, convenience as well as efficiency and effectiveness, this implies that there is a positive relationship between perceived usefulness and adoption of agency banking.

Mungai (2017) also conducted a study on the Challenges associated with adoption of agency banking and bank performance. In their study, purposive sampling was used to obtain a sample

of 44 respondents from four banks. The findings of the study indicated that there is a significant positive relationship between accessibility of banking services and adoption of agency banking in Kenya. Contrary, the findings also indicated that there is a significant negative relationship between cost of banking services and adoption of agency banking. This concurs with the findings of (Kalinda et al., 2016).

2.4.3: The effect of Perceived ease of use and adoption of agency banking

A number of scholars have conducted research studies on the effect of perceived ease of use and adoption of agency banking. These include; Mungai (2016); Muoria and Moronge (2018); Mwangi & Mwangi (2014); Zigale (2018); Gitonga et al. (2015).

Mungai (2016) conducted a study on the factors influencing the adoption of agent banking by commercial banks in Kenya. The findings of the study showed that technological factors affecting the adoption of agency banking were complexity and technology compatibility (perceived ease of use). The findings revealed that technology complexity had a significant negative effect on the behavioral intention to adopt the agency banking system. Technology compatibility had a positive significant influence on the behavioral intention to adopt the agency banking system. A system ranked high in perceived ease of use will have a high adoption rate since the customers find it very easy to use the system due to its simplicity. This implies that perceived ease of use has a significant positive relationship with adoption of agency banking in Kenya.

Muoria and Moronge (2018) in relation to the above also conducted a study on the factors affecting the adoption of agency banking by bank customers in KCB bank in Kiambu County. One of the specific objectives of the study was to examine the effect of capital availability on the adoption of agency banking by bank customers in KCB in Kiambu County. The study adopted a descriptive study design where a sample of 120 agents was selected using stratified

random sampling technique. The findings of the study revealed that there was a positive and significant association between capital availability and adoption of agency banking. Capital availability is one of the items used to measure system reliability as an indicator of perceived ease of use in the study. This implies that there is a positive significant relationship between system reliability and agency banking adoption. These findings of the study are in agreement with those of Kumar and Mohanty (2012) that lack of enough float frustrates customers when making large volume of transactions hence low adoption of the agency banking system.

In agreement with the above, Mwangi and Mwangi (2014) also conducted a study on the factors influencing the uptake of agency banking services by customers in commercial banks in Kenya. The findings of the study indicated that most customers had experienced a transaction failure and lack of enough float in KCB bank agents in Kenya. In addition, the study found out that the agency banking centers often experienced system malfunctioning and errors when making transactions thus a positive significant relationship between liquidity availability and adoption of the agency banking system among KCB customers in Kenya. In this study, since system reliability and technology compatibility have been used to conceptualize perceived ease of use, this implies that there is a significant positive relationship between perceived ease of use and adoption of agency banking in Kenya. These findings concur with that of Kumar and Mohanty (2012) when a customer visits an agent to withdraw large sums of money and finds when the agent doesn't have enough float, he/she will get frustrated and thus reduces on the frequency of using the agency banking system.

Zigale (2018) also conducted a study on the challenges and prospects of agency banking in Ethiopia. Perceived ease of use being one of the specific objectives of the study. The findings of the study indicated that perceived ease of use had a significant positive relationship with adoption of the agency banking system.

Gitonga et al. (2015) also conducted a study to investigate factors affecting adoption of Agent banking in Kenya. Using a Cross- sectional survey design, 43 banks were grouped into two categories; those that had implemented agent banking strategy and others who were yet to embrace the strategy. Simple random sampling technique was then used to pick 9 banks and 27 banks respectively from the two groups of those who adopted the strategy and those who are yet to embrace the strategy. The findings of the study revealed that technology complexity or perceived ease of use which was one of the technological factors had a significant negative influence on the adoption of the agency banking system.

2.5: Knowledge Gap

Various studies have been conducted on the antecedents of agency banking system adoption. Kithuka (2012) for instance, conducted a study on factors influencing growth of agency banking in Kenya, Musau and Jagongo (2015) did an analysis of the utilization of agency banking on performance of selected banks in Nairobi County, Watiri (2013) conducted a study on adoption of agency banking by Equity bank Kenya Limited and Mosoti and Mwaura (2014) did an investigation on slow adoption of agent banking services in Kenya as a strategic response by commercial banks.

Very few studies have been conducted in relation to the antecedents of Agency banking adoption in Ugandan context; hence little literature is available. This study therefore sought to fill the knowledge gap by investigating on the antecedents of Agency banking adoption in Uganda's banking sector to supplement the existing literature by specifically examining the effect of perceived trust, perceived usefulness and perceived ease of use on Agency banking adoption among Equity bank clients in Kampala.

3.1: Introduction

This chapter presents the methodology for the study which includes the research design, target population, sample size and selection, sampling techniques, data collection methods and instruments, data quality control (validity and reliability), data analysis, measurement of research variables, diagnostic tests, ethical considerations and limitations.

3.2: Research design

This study adopted a case study research design because the study was focusing on studying single case. There has been a debate on whether case study research design could be used to collect both qualitative and quantitative data. However, according to Saunders, Thornhill, & Lewis (2015); Bhattacherjee (2012), a case study research design can be used to collect both quantitative and qualitative data from respondents.

Similar studies have used the same research design to collect both qualitative and quantitative data (Zigale, 2018; Watiri, 2013). In this design, both quantitative and qualitative data was collected from the respondents. Quantitative data was collected using questionnaires which were given to the customers where as, qualitative data was obtained with the help of an interview guide which was given to the banking agents.

3.3: Target Population and sample size

The study population constituted 506,580 equity bank customers in Uganda (Equity Bank Group Annual Report, 2017). Since the study population was too big, the target population of the study was selected basing on the total number of customers who accessed the branch on a daily basis. While this wasn't a perfect proxy for the population, this approach made it

possible to systematically select a population to work with in the study. On average, the bank receives over 200 clients on a daily basis (Equity Bank Group Annual report, 2018).

Basing on the Krejcie & Morgan (1970) table for sample size determination, a sample of 132 respondents was selected from a population of 200 respondents. Out of the 132 questionnaires which were given to the respondents, only 81 questionnaires were fully filled and returned constituting a response rate of 61.4 %. The high response rate is attributed to the high level of compliance from a large number of customers who were found paying school fees in the bank.

3.4: Sampling techniques

The study employed a convenience sampling technique when selecting the customers in the banking halls. This was utilized to obtain information from banking customers who were found readily available in the banking halls (Saunders et al., 2015).

3.5: Data Collection methods

Both quantitative and qualitative methods of data collection were adopted when conducting the study. Under quantitative methods, questionnaires were given to Equity bank clients whereas; interview guides were used to collect qualitative data from Equity Bank Agents.

3.5.1: Quantitative method

The questionnaire method was adopted when collecting quantitative data from the banking customers because it helps in obtaining information from large samples in the shortest time possible (Online, Sansoni, & Sansoni, 2011). The questionnaire comprised of close ended questions for easy coding and statistical analysis of the research findings (Hyman & Sierra, 2010).

3.5.2: Qualitative method

The study preferred using the interview method when obtaining qualitative data from Equity Bank agents so as to obtain detailed information. An interview guide was prepared consisting of open ended questions which were used when interviewing the bank agents in relation to the objectives of the study.

Open ended questions were used when interviewing bank agents so as to obtain in depth information and offer opportunities for probing (Hyman & Sierra, 2010). When interviewing the agents, the confidentiality of each agent was maintained.

3.6: Validity and Reliability

Validity and reliability are fundamental features which should put into consideration when evaluating a measurement instrument or tool for a good research study (Mohajan, 2017).

3.6.1: Validity

Validity is the accuracy and meaningfulness of inferences based on research results. It is the ability of an instrument to measure well what it purports to measure (Fraenkel, Wallen, & Hyun, 2015). In the study, construct validity was used to examine how similar constructs or items relate with each other when measuring a specific variable by using factor analysis (Creswell, 2014). Only items whose factor loadings met the threshold of 0.5 were considered for further analysis. The table corresponding to factor analysis has been put in Appendix 3.

3.6.2: Reliability

Reliability refers to a degree to which a research instrument yields consistent results or data after repeated trials (Sekaran & Bougie, 2016). To ensure reliability, reliability tests were conducted to check the internal consistency of the research instrument by computing the

Cronbach Alpha coefficient for all the variables in the study. The table below shows the cronbach's alpha coefficient for the variables.

Table 1: Cronbach Alpha for the study variables

Variable	Cronbach Alpha Coefficient
Perceived trust	0.710
Perceived usefulness	0.831
Perceived ease of use	0.719
Adoption of agency banking	0.779

Source: Primary data 2019

Basing on the results in table 1 , all the variables used in the study met the expected threshold of 0.7 Cronbach alpha (Sekaran & Bougie, 2016).

3.7: Data Analysis

In the study, both quantitative and qualitative data analysis was adopted for triangulation purposes (Singh, 2007). Using both Qualitative and quantitative data improves the results of the study by ensuring that the limitations of one type of data approach are balanced by the strengths of another.

3.7.1: Quantitative data analysis

Analysis of the quantitative data was done in relation to the objectives of the study, data obtained from questionnaires was first cleaned, and coded before analysis was done, then analyzed using the Statistical Package for Social Sciences (SPSS) version 23. Descriptive statistics were used to compute mean and standard deviation and thereafter, regression analysis was done to measure how the independent variables predict a change in the dependent variables.

3.7.2: Qualitative data analysis

Qualitative data collected from interviews inform of open ended questions was edited regularly to ensure completeness and accuracy of results obtained. The qualitative data was categorized into meaningful information then analyzed to supplement quantitative data (Creswell, 2014).

3.8: Measurement and operationalization of variables

The independent variables in the study were; perceived trust, perceived usefulness and perceived ease of use. Perceived trust being the first predictor variable relates to how customers feel the agency banking system can be trusted. It is measured in terms of; security and confidentiality and reliability of the system and agents (Al-Jabri, 2018; Zigale, 2018). These items were evaluated on a five point likert scale ranging from strongly disagree (1), Disagree (2), Not sure (3), Agree (4), and Strongly agree (5).

Perceived usefulness as the second independent variable relates to the perceived value derived when banking using the agency banking system in terms of reduced costs of accessing the services, time saved, how accessible the agents are compared to other banking options. This was conceptualized in terms of; service efficiency, actual benefits and accessibility (Zigale, 2018). These constructs were evaluated on a five point likert scale ranging from strongly disagree (1), Disagree (2), Not sure (3),Agree (4), and Strongly agree (5).

Perceived ease of use was measured in terms of; ease to learn, ease to operate and system effectiveness (Davis, 1989b; Zigale , 2018). Lastly, adoption of agency banking as a dependent variable was conceptualized in terms of; frequency of use and rate of adoption (Zigale, 2018). These constructs were evaluated on a five point likert scale ranging from strongly disagree (1), Disagree (2), Not sure (3),Agree (4), and Strongly agree (5).

3:9: Diagnostic tests

3:9:1: Normality tests

In the study, normality tests were carried out to test the normal distribution of the data before analysis. The Shapiro–Wilk Test introduced by Samuel Sanford Shapiro and Martin Wilk in 1965 was adopted to test for normality in the study since its appropriate for small samples (James, Witten, Tibshirani, & Hastie, 2012; Shapiro & Wilk, 2015). The table below shows the results corresponding to the Shapiro Wilk test for normality for the different variables used in the study.

Table 2: Tests of Normality for perceived trust, perceived usefulness and perceived ease of use

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	**Df**	**Sig.**	**Statistic**	**Df**	**Sig.**
Perceived trust	.077	81	.200[*]	.983	81	.369
Perceived ease of use	.155	81	.000	.970	81	.070
Adoption	.099	81	.048	.984	81	.385
Perceived usefulness	.065	81	.200	.986	81	.556

Source: Primary data 2019

Basing on the results in table 2 , the p value (Shapiro Wilk test) for the different variables used in the study was greater than 0.05 level of significance indicating that the data was normally distributed.

3.9.2: Collinearity tests

Multi-collinearity tests were also carried out to test for collinearity of the independent variables used in the study. Collinearity occurs when two or more independent variables used in the study are highly correlated with each other (Hair, Ringle, & Sarstedt, 2013).

Multi-collinearity was assessed by computing the Variance Inflation Factor (VIF), which measures how much the variance of a regression coefficient is inflated due multi-collinearity in the model (Hair et al., 2013).

Table 3: Collinearity diagonistics for perceived trust, perceived usefulness and perceived ease of use

Model	Collinearity statistics	
	Tolerance	VIF
Perceived trust	0.556	1.799
Perceived usefulness	0.665	1.503
Perceived ease of use	0.641	1.561

a. Dependent Variable: adoption

The results in table 3 revealed that the independent variables (perceived trust, perceived usefulness and perceived ease of use) were not highly correlated since the Variance Inflation Factor (VIF) was below the threshold of 10.

3:10: Ethical consideration

The main objective of research ethics was to ensure that no one is coerced, or suffers adverse effects as a result of conducting research activities (Cooper & Schindler, 2014). Therefore, when conducting research, an introductory letter was obtained from the university to seek permission from the management of the organization so as to collect data from the respondents. When collecting data, the anonymity of the respondents was adhered to, consent of the respondents was obtained before they participated in the research. The data obtained from the field was used for academic purposes only.

3:11: Limitations of the study

When conducting the study, the research assistants lacked consistency in regards to the interpretation of the questions when administering the questionnaires to the respondents. In order reduce to this problem; the research assistants were oriented about the data collection procedures. More so, not all the questionnaires were fully filled and returned since some respondents were not willing to participate in the study.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0: Introduction

This chapter comprises of presentation, analysis, and interpretation of the study findings. This chapter demonstrates the descriptive statistics of the study as well as inferential statistics of the variables under study.

4.1 Demographic characteristics of the respondents

Under this section, the demographic characteristics of the respondents who participated in the study are being discussed in terms of frequencies and the corresponding percentages for each category.

Table 4: Demographic characteristics of the respondents

	Category	Frequency	Percentage %
Gender of respondents	Female	41	50.6
	Male	40	49.4
Age of respondents	18-30years	44	54.3
	31-45years	22	27.2
	Above 45years	15	18.5
Level of education	Certificate	14	17.3
	Diploma	12	14.8
	Bachelors	47	58.0
	Masters	8	9.9
Duration of operating a bank account	Less than a year	11	13.6
	2-5 years	36	44.4
	5years and above	34	42.0
Source of information about agency banking	Television and radio	33	40.7
	Newspapers	9	11.1
	Bank	31	38.3
	Social media	8	9.9
Whether one has used agency banking	Yes	33	40.7
	No	48	59.3

As evidenced in table 4, the gender of the respondents was evenly distributed with the female customers constituting 50.6% of the total respondents and the males 49.4%. in relation to the

age of the respondents, customers falling in the age bracket of 18 to 30years constituted the highest percentage of 54.3%, followed by 31 to 45 years with 27.2% and lastly those above 45years of age with 18.5%. Other demographic characteristics included in the study were the level of education with 17.3% certificates, 14.8% diplomas, 58% undergraduates, 9.9 master's degrees.

The responses given by the respondents about the duration one has been operating a bank account, 13.6% of the respondents had been banking for less than a year, 44.4% for a period between 2 to 5 years, while 42% corresponded to those who had banked for 5 years and above. When customers were asked about how they came to know about Equi duuka system, 40.7% got to know about the system from television and radio advertisements, 11.1% from reading newspapers, 38.3% obtained the information when making transactions in the Equity banking halls, whereas 9.9% got it from social media networks.

Lastly, when the customers were asked whether they had ever used the Equi duuka system, only 40.7% had ever used the system but on a monthly basis while 59.3% had never used the system to make transactions. This is an indication that majority of the Equity bank customers had never used the agency banking system.

4.2: Descriptive statistics

This section consists of the descriptive statistics of the variables under study. The variables of the study whose descriptive statistics were computed included; Perceived trust, perceived usefulness, perceived ease of use and adoption of agency banking.

4.2.1: Perceived trust

In the study, perceived trust was measured in terms of security, confidentiality and credibility of the agency banking system. Descriptive statistics relating to perceived trust that's to say, mean and standard deviation were computed and the findings are displayed in the table below.

Table 5: Descriptive statistics corresponding to Perceived Trust

Statement	Mean	Std. Deviation
My account information would be kept safe when I make transactions using the Equi duuka system.	2.90	1.102
Agents are well equipped with machines to enable them detect fake money in an Equi duuka transaction.	2.83	1.170
My money would be in safe custody when I make deposits using the Equi duuka system.	3.01	1.078
The Equi duuka system is reliable.	3.30	1.078
The Equi duuka system is credible. **Grand mean=3.13**	3.59	1.058

Source: Primary data 2019

As evidenced in table 5, the findings of the study revealed that customers generally perceived all the items corresponding to perceived trust to be equivalent to the average. However, notable variations were observed in relation to the different dimensions used to conceptualize perceived trust, that is to say, the extent to which the customers perceive the system to be reliable had the highest mean of 3.59 and a standard deviation of 1.058, this was followed by the extent to which the customers perceive the agency banking system being credible with a mean of 3.30 and a standard deviation of 1.078. This implies that these two particular items were accorded more relative importance in explaining perceived trust by the respondents.

The extent to which customers believed their money would be in safe custody came third with a mean of 3.01 and a standard deviation of 1.078, followed by the extent to which the customers

believed that their account information would kept safe when they make transactions using the agency banking system with a mean of 2.90 and a standard deviation of 1.102. Lastly, the extent to which customers believe that agents are given machines to detect fake money got the least score (mean=2.83, SD= 1.170). These particular items were below the grand mean of 3.13 implying that the respondents didn't attach much importance to them in regards to measuring perceived trust. The information obtained from interviews with the bank agents indicated that Equity bank customers were worried of the credibility, confidentiality, security of the agency banking system to the extent of the bank placing some of its agents to transact within the banking halls so as to instill confidence in the customers about the credibility of the system.

4.2.2: Perceived usefulness

In the study, perceived usefulness was conceptualized in terms of; service efficiency, actual benefits and accessibility of the agency banking system. Descriptive statistics relating to perceived usefulness that's to say, mean and standard deviation were computed and the findings are displayed in the table below.

Table 6: Descriptive statistics corresponding to Perceived Usefulness

Statement	Mean	Std. Deviation
The cost of accessing financial services using the Equi duuka system would be affordable as compared to other banking options.	3.35	1.296
Withdrawing money from my account would be easier when using the Equi duuka system.	3.81	1.062
It would be easier depositing money on my account when using the Equi duuka system.	3.69	1.080
I would save more time when I use the Equi duuka system to make transactions.	3.89	1.084
It would be easier paying bills using the Equi duuka system as compared to traditional banking system.	3.38	1.347
Transacting using the agency banking system is something I would enjoy doing.	3.42	1.139
The Equi duuka system would be faster in processing transactions than the traditional banking system. **Grand mean=3.62**	3.59	1.138

As indicated in table 6, in relation to perceived usefulness, the banking customers who participated in the study revealed that they preferred the Equi duuka system to other banking options because they could save a lot of time when making transactions with a mean of 3.89 and a standard deviation of 1.084. This was followed by the extent to which customers believed withdrawing money from their account would be much easier while using the Equi duuka system with a mean of 3.81 and a standard deviation of 1.062, and the extent to which customers believed depositing money to their accounts would be much easier when using the Equi duuka system (Mean=3.69, SD=1.080). These particular items were above the grand mean of 3.62 implying that the respondents agreed that the items were measuring perceived usefulness.

Other dimensions included; the extent to which customers believed the system would be much faster when processing transactions (Mean=3.59, SD=1.138), the extent to which customers perceived transacting using the Equi duuka system being enjoyable (Mean=3.42, SD=1.139), extent to which customers believed paying bills when using the Equi duuka system would be much easier when compared to other payment options with a mean of 3.38 and a standard deviation of 1.347. Lastly, the extent to which customers believed that the cost of accessing banking services when using the Equi duuka system would be much affordable with the least mean score of 3.35 and a standard deviation of 1.296. All these items were below the grand mean of 3.62 which implies that the respondents didn't much importance to the items measuring perceived usefulness. The findings from the follow up interviews indicated that the customers mostly prefer the agency banking system to other banking options because it's more convenient and accessible, faster when processing transactions than banking halls.

4.2.3: Perceived ease of use

In the study, perceived ease of use was measured in terms of; ease to learn, ease to operate and system effectiveness of the agency banking system. Descriptive statistics relating to perceived usefulness, that's to say, mean and standard deviation were computed and the findings are displayed in the table 7.

Table 7: Descriptive statistics corresponding to Perceived Ease of Use

Statement	Mean	Std. Deviation
It would be much easier tracking my account information when I use the Equi duuka system than when using the traditional banking system.	2.89	1.095
The network on the Equi duuka system would be more reliable when making transactions as compared to ATMS and banking halls.	2.95	1.106
The Equi duuka system would be compatible with my banking needs.	3.04	1.066
The agents have enough cash to enable me withdraw large sums of money.	2.30	1.156
Agents are skilled enough to enable me make transactions using the agency banking system. **Grand mean=3.04**	2.96	1.167

Source: Primary data 2019

As shown in Table 7, the findings revealed that on average, customers perceived all the issues relating to ease of use of the agency banking system being slightly below average. The extent to which customers believe the system to be compatible with their banking needs scored the highest mean of 3.04 and a standard deviation of 1.066, followed by the extent to which the customers believed the agents being skilled enough to process transactions using the agency banking system (mean=2.96 ,SD=1.167), the extent to which the customers believed the network on the Equi duuka system being more reliable as compared to other banking options (mean=2.95, SD=1.106), the extent to which customers believed that it would be easier for them to track information about their account information with a mean of 2.89 and a standard deviation of 1.095. Lastly, the extent to which customers believed that the agents had enough cash to enable customers make withdrawals of large sums of money had the least mean of 2.30 and a standard deviation of 1.156. These particular items were below the grand mean of 3.04

implying that the respondents didn't attach much relative importance to the items used to measure perceived ease of use.

Table 8: Descriptive Statistics Corresponding to Frequency of Use and Rate of Adoption of the Agency Banking

Statement	Mean	Std. Deviation
I frequently use the Equi duuka system to make transactions.	2.23	1.306
I'm very likely to use the agency banking system	3.49	1.142
I intend to use the Equi duuka system in the near future.	3.70	1.030
I will increase my use of the agency banking system to make transactions.	3.21	1.301
With my job complexity, I have to use the agency banking system. **Grand mean=3.171**	2.95	1.431

Source: Primary data 2019

The customers' intention to use the agency banking system in the near future scored the highest mean of 3.70 and a standard deviation of 1.030. This was followed by extent to which customers were likely to use the system (Mean= 3.49 and SD=1.142) and the extent to which customers were in agreement to increase their use of the Equi duuka system to make transactions (Mean=3.21, SD=1.301). These particular items were above the grand mean of 3.17 implying that the respondents agreed that the items were measuring adoption of agency banking system.

 In relation to the extent to which customers believed that they had to use the system to make transactions due to their job complexity with mean of 2.95 and a standard deviation of 1.431 while adoption of agency banking system, majority of the customers included in the study were in disagreement in regards to the extent to which they frequently used the Equi duuka system to make transactions with the least mean score of 2.23 and a standard deviation of 1.306. These

particular items were below the grand mean of 3.171 implying that the respondents didn't attach much relative importance to the items used to measure adoption of agency banking system.

4.3: Regression Analysis

Regression analysis was carried out to determine the predictability potential of the independent variables on the dependent variable that's to say, to examine the effect of perceived trust, perceived usefulness and perceived ease of use on adoption of the agency banking system. All the assumptions for regression analysis to be conducted were satisfied (normality and multi-collinearity tests) to ensure valid results.

Table 9: Model summary of regression analysis

Model Summary									
						Change Statistics			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.751ᵃ	.564	.547	.61305	.564	33.138	3	77	.000
a. Predictors: (Constant), Ease, Usefulness, Trust									

The results of the model summary in table 9 above indicate that the regression model was statistically significant with F value of 33.138 and P value of 0.000 which implies that the model was fit for the data. The three variables explain 54.7% variance in the adoption rate and frequency of usage of the agency banking system by Equity bank customers in Kampala (adjusted R-square =.547, p<.05).

Table 1: Results of the multiple regression coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.288	.353		-.815	.417
	Trust	.443	.122	.368	3.642	.000
	Usefulness	.301	.102	.272	2.947	.004
	Ease	.337	.122	.261	2.771	.007
a. Dependent Variable: Adoption						

As indicated in table 10, the findings of the study revealed that perceived trust, perceived usefulness and perceived ease of use where strong predictors of adoption of agency banking among Equity bank customers in Kampala with (P<.05).

Perceived trust emerged to be the strongest predictor of adoption of agency banking among Equity bank customers (Beta =0.368, P value =0.001). This means that any exertions made by the management of Equity bank towards enhancing security, confidentiality and the credibility will result into 36.8% increase in the adoption rate and frequency of use of the agency banking system. This was followed by perceived usefulness (Beta=0.272, P value= 0.004). This means that any strategies made by the management of Equity bank to enhance perceived usefulness results into 27.2% increase in the adoption rate and frequency of use of the agency banking system.

Lastly, perceived ease of use emerged to be the least predictor of adoption of agency banking among Equity bank customers with Beta = 0.261 and P =0.007. This means that any efforts made by the Equity bank to make the use of the agency banking system simple will result into 26.1% increase in the adoption rate and frequency of use of the agency banking system.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1: Introduction

This chapter consists of the discussion of findings, conclusion and recommendations. The presentation was done in accordance with the study objectives namely; to examine the effect of perceived trust on adoption of agency banking; to assess the effect of perceived usefulness on adoption of agency banking and to analyze the effect of perceived ease of use on adoption of agency banking at Equity Bank Head office in Kampala.

5.2: The effect of Perceived Trust on Agency Banking Adoption

The findings of the study revealed that perceived trust was the strongest predictor of adoption of agency banking among Equity bank customers in Kampala with (Beta=0.368, P<.05). This meant that customers will adopt the agency banking system if it is secure, reliable and credible enough to when making transactions as regards to the customer's account information, money deposited on the account as well as the credibility of entire agency banking system. There will be a low rate of adoption of the agency banking system when customers discover that it lacks trust in terms of privacy and security of the customers' information as well as finances.

This implies that customers would prefer other banking options like using ATMs, mobile banking and banking halls to make transactions even when they are sure that they can do the same transactions using the agency banking system. In addition, the information obtained from interviews with the bank agents indicated that Equity bank customers were worried of the credibility, confidentiality, security of the agency banking system to the extent of the bank placing some of its agents to transact within the banking halls so as to instill confidence in the customers about the credibility of the system.

The findings of the study were consistent with those of previous scholars such as; Bruce (2014) who found out that the more the customers feel safe, the higher the adoption of agency banking while the more they feel insecure, the lower the approval of agent banking. Onwonga (2017) also found out that the more confidential customer's information is kept, the more the growth of agency banking in Kenya. The findings of the study also concur with those of Mwangi & Mwangi (2014) where he found out that most of the customers were experiencing cases of fake money as well as theft and robbery at agency banking centers in Nairobi hence the low adoption rates of agency banking.

5.3: The effect of perceived usefulness on adoption of agency banking

The findings of the study also revealed that perceived usefulness was another strong predictor of adoption of agency banking among Equity bank customers in Kampala with (Beta=0.272, P<05). This meant that customers will adopt the agency banking system when they perceive it being more advantageous in terms of usefulness, efficiency, cost effectiveness, accessibility as well as being speedy. This implies that the rate of adoption and the frequency of usage of the agency banking system will increase when the customers perceive the agency banking system as being more useful in terms of speed, cost, convenience and efficiency when compared to other banking options in regards to making transactions such as depositing money, withdrawing money and paying bills. The findings from the follow up interviews indicated that the customers mostly prefer the agency banking system to other banking options because it's more convenient and accessible, faster when processing transactions than banking halls.

The findings of the study were in agreement with those of Kalinda, Rukangu, & Rintaugu (2016) where there was a positive relationship between ease of access and flexibility of working hours. The study also revealed that there was a negative relationship between the agency costs and adoption of agency banking in Kenya which concurs with Mungai (2017)

where he concluded that an increase in the cost of accessing banking services using the agency banking system will result into a reduction in the rate of adoption nd frequency of usage of the agency banking system.

5.4: The effect of perceived ease of use on adoption of agency banking

The findings of the study also revealed that perceived ease of use was a strong predictor of adoption of agency banking in among Equity bank customers in Kampala with (Beta=0.261, P<05). This meant that the more customers perceive the agency banking system being easy to use, the more they will adopt it. On the other hand, when the customers perceive the agency banking system being complex to use, the lower the rate of adopting it. The information obtained from follow up interviews with the agents indicated that the agency banking system doesn't require the customers a lot of mental effort to use it since most of the work is done by the agents who are also well trained by the bank to make transactions.

The findings of the study were consistent with those of Davis (1989b) where he made conclusions that an information system which is perceived by potential users to be easier to operate than others will be more likely to be accepted by the users. This is also in line with the findings of Zigale (2018) where he found out that perceived ease of use had a positive significant association with the adoption of agency banking system in Ethiopia.

5.5: Conclusions

The study sought to examine the effect of perceived trust on adoption of agency banking; to assess the effect of perceived usefulness on adoption of agency banking and to analyze the effect of perceived ease of use on adoption of agency banking at Equity Bank Head office in Kampala. In the study analysis was done at different levels first with descriptive statistics, followed by regression analysis. The findings of the study indicated that perceived trust was

the strongest predictor of adoption of agency banking among Equity bank customers, this was followed by perceived usefulness and lastly perceived ease of use. In addition, the findings of the study also indicated that perceived trust, perceived usefulness and perceived ease of use had a positive correlation with adoption of agency banking.

5.6: Recommendations

The study found out that perceived trust, perceived usefulness and perceived ease of use were significant predictors of agency banking adoption. Owing to this, the study recommends the following;

The management of Equity bank should ensure that perceived trust is given utmost importance in a bid to improve adoption of agency banking. This can be done through ensuring safety and confidentiality of customer's finances as well as their personal account information. This is because customers will opt for other banking options when they feel that their money as well as their account information will be insecure when they use the agency banking system to make transactions.

Current efforts of boosting perceived usefulness and perceived ease of use should be continued for example, registering more agents to increase accessibility to the agency banking system, more training sessions should be conducted to increase agents' efficiency and effectiveness when providing banking services using the agency banking system.

5.7: Areas for further research

This study focused on how perceived trust, perceived usefulness and perceived ease of use influenced the adoption of agency banking system. However, there is need to conduct additional research in relation to; The effect of agency banking adoption on the financial performance of commercial banks and, the effect of agency banking adoption on boosting customer satisfaction.

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APPENDIX 1: QUESTIONNAIRE

Dear respondent,

I'm Jacintah Nazziwa, a student of Masters in Business Administration under the Department of Management Science, Faculty of Graduate School of Kyambogo University conducting a study on the antecedents for adoption of agency banking. This study is to investigate why the adoption rate of the agency banking system is still low by examining the influence of perceived trust, perceived usefulness and perceived ease of use on the adoption of agency banking. Your response is highly appreciated. **Please tick in the box the option of your choice**

SECTION A: <u>DEMOGRAPHICS</u>

1. Gender of respondents.

         1. Female   2. Male   ☐   ☐

2. How old are you?

1. 18 -30 years ☐   **2**. 31 - 45 years ☐   3**.** Above 45 years   ☐

3. What is your level of education**?**

1. Certificate	☐	3. Undergraduate	☐
2. Diploma	☐	4. Masters	☐

 If others, please specify…………………………………………

4. For how long have you been banking with us?

1. Less than a year. ☐
2. 2-5years ☐
3. 5years and above. ☐

5. How did you come to know about the Equi duuka banking system?

1. Television advertisements ☐
2. Newspapers ☐
3. Friends ☐
4. Social media ☐

6. Have you ever used Equi-duuka?

1. Yes ☐
2. No ☐

Note: In the subsequent sections, please show your level of agreement or disagreement in regards to the following statements.

Strongly disagree (SD)	Disagree (D)	Not sure (NS)	Agree (A)	Strongly agree (SA)
1	2	3	4	5

SECTION B: PERCEIVED TRUST.

Code	Statement	1	2	3	4	5
PT 1	My account information would be kept safe when I make transactions using the Equi duuka system.					
PT2	Equi Duuka agents are well equipped with machines to enable them detect fake money in an Equi duuka transaction.					
PT3	My money would be in safe custody when I make deposits using the Equi duuka system.					
PT4	Equi duuka agents are well equipped with money counting machines to ensure I get the right amount of money when I make deposits or withdraws using the Equi duuka system.					
PT5	Equi duuka agents are fully registered and have the authority to act on behalf of my bank.					
PT6	My transactions would be reflected on my account when I make transactions using Equi duuka agents.					
PT7	The Equi duuka agents are trust worthy.					
PT8	The Equi duuka agency banking system is reliable.					
PT9	The Equi duuka agency banking system is credible.					
PT10	My account information would be kept confidential when I make transactions using the Equi duuka system.					

SECTION C: PERCEIVED USEFULNESS

Code	Statement	1	2	3	4	5
PU1	The cost of accessing financial services using the agency banking system would be more affordable as compared to other banking options.					
PU 2	Withdrawing money from my account would be easier when I use Equi Duuka system.					
PU3	It would be easier depositing money on my account when using the Equi Duuka system.					
PU4	I would save more time when I use the Equi-duuka system to make transactions.					
PU5	It would be easier paying bills using the Equi-duuka system as compared to traditional banking system.					
PU6	It would be easier for me to transfer money from one account to another using the Equi Duuka system.					
PU7	Transacting using the Equi duuka system is something I would enjoy doing.					
PU8	The Equi duuka system would be faster in processing transactions than the traditional banking system.					
PU9	The Equi duuka agents would be more accessible and convenient than banking halls.					
PU10	The Equi duuka agency banking system would enable me accomplish my tasks more efficiently and effectively.					

SECTION D: PERCEIVED EASE OF USE

Code	Statement	1	2	3	4	5
PEOU1	Interacting with the agency banking system would not require me a lot of mental efforts.					
PEOU2	It would be much easier tracking my account information when I use the Equi-duuka system than when using the traditional banking system.					
PEOU3	It would be easier making transactions when using the Equi duuka agency banking system.					
PEOU4	The network on the Equi duuka system would be more reliable when making transactions as compared to ATMs and banking halls.					
PEOU5	The Equi duuka system would be compatible with my banking needs.					
PEOU6	The Equi Duuka agents would have enough cash to enable me withdraw large sums of money.					
PEOU7	The Equi duuka agents are skilled enough to enable me make transaction using the agency banking system.					

SECTION E: ADOPTION OF AGENCY BANKING SYSTEM

Code	Statement	1	2	3	4	5
ADPT1	I frequently use the Equi duuka system to make transactions.					
ADPT2	I'm very likely to use the agency banking system.					
ADPT3	I intend to use the Equi duuka system in the near future.					
ADPT4	I will increase my use of agency banking system to make transactions.					
ADPT5	With my job complexity, I have to use the agency banking system.					

Thank you for participating in this session.

APPENDIX 11: INTERVIEW GUIDE

Dear respondent,

This is an academic study investigating the antecedents for adoption of agency banking in Uganda's banking sector. The study was conducted by school of management and entrepreneurship, Kyambogo University. Your responses shall be confidential and used only for academic purposes. Therefore, you are cordially requested to spare some time and share your responses.

An interview guide schedule for the interviews with Equity bank agents to obtain information about agency banking adoption.

1) How many customers do you work on a daily basis?

2) What enticed you to register as an Equi duuka agent?

3) For how long have you been acting as a bank agent?

4) How reliable is the network when making transactions?

5) How is your relationship with the customers when making transactions?

6) What security measures have you put in place to curb fraudulent cases?

7) What measures have you put in place to ensure customer account information remains confidential?

8) How much float do you have?

9) How many customer accounts have you opened since commencement?

10) Have you been well equipped with all the machines required to make transactions?

APPENDIX 111: RESULTS FOR FACTOR ANALYSIS OF THE STUDY VARIABLES

Perceived Trust	Factor Loading
My account information would be kept safe when I make transactions using the Equi duuka system.	0.717
Agents are well equipped with machines to enable them detect fake money in an Equi duuka transaction.	0.532
The Equi duuka agents are trust worthy.	0.661
The Equi duuka system is reliable.	0.766
The Equi duuka system is credible	0.743
Eigen value	**3.506**
Total Variance Explained	**61.723**
Kaiser-Meyer-Olkin (KMO)	**.765**
Bartlett's Test of Spherecity	**237.038****
Perceived Usefulness	**Factor Loading**
The cost of accessing financial services using the Equi duuka system would be affordable as compared to other banking options.	0.741
Withdrawing money from my account would be easier when using the Equi duuka system	0.726
It would be easier depositing money on my account when using the Equi duuka system	0.832
I would save more time when I use the Equi duuka system to make transactions.	0.666
It would be easier paying bills using the Equi duuka system as compared to traditional banking system	0.507

Transacting using the agency banking system is something I would enjoy doing	0.755
The Equi duuka system would be faster in processing transactions than the traditional banking system.	0.740
Eigen value	**3.873**
Total Variance Explained	**52.623**
Kaiser-Meyer-Olkin (KMO)	**.780**
Bartlett's Test of Spherecity	**284.901*****
Perceived Ease of Use	**Factor Loading**
It would be much easier tracking my account information when I use the Equi duuka system than when using the traditonal banking system.	0.652
The network on the Equi duuka system would be more reliable when making transactions as compared to ATMS and banking halls.	0.667
The Equi duuka system would be compatible with my banking needs.	0.554
The agents have enough cash to enable me withdraw large sums of money.	0.637
Agents are skilled enough to enable me make transactions using the agency banking system.	0.634
Eigen value	**2.180**
Total Variance Explained	**51.180**
Kaiser-Meyer-Olkin (KMO)	**.626**
Bartlett's Test of Spherecity	**82.647*****
Adoption of agency banking	**Factor loading**
I frequently use the Equi duuka system to make transactions	.652
I'm very likely to use the agency banking system	.749

I intend to use the Equi duuka system in the near future	.543
I will increase my use of the agency banking system to make transactions	.862
With my job complexity, I have to use the agency banking system.	.808
Eigen value	**2.679**
Total Variance Explained	**53.575**
Kaiser-Meyer-Olkin (KMO)	**.749**
Bartlett's Test of Spherecity	**133.277*****

N=81, ***p<0.00, **p<0.01, *p<0.05, α is Cronbach Alpha coefficient computed for scales with three items and more.