

ASSESSING CUSTOMER PERCEPTION AND LOYALTY OF AGENT BANKING SERVICES AND ITS CURRENT TREND IN BANGLADESH

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Abstract

Banking industry works as lifeblood for financial services of a country. This study reviews key aspects that led to the remarkable growth of Agent banking services in Bangladesh, such as usability, reliability, trust in agent banking service lead to customer satisfaction and loyalty among the respondents. The results found in our study, usability of agent banking service leads to trust and reliability of such service. We may infer that usability feature of agent banking service provided by Banks are reliable. Moreover, Hypothesis results also indicate that Reliability of agent banking service leads to customer satisfaction and Trust and customer satisfaction in agent banking service generate customer loyalty of such service. The study also attempted to depict current position and business expansion of agent banking services. We found that, in compression of single year, between the year 2017 and 2018, total number of Agents and Outlets increased 74.35% and 66.78%, respectively. Current Account, Savings Accounts, and Others Accounts increase 87.35%, 103.03%, and 101.67%, respectively. In span of one-year, total number of accounts increased by 102.33%, indicating a good sign for agent banking operation. In 2018, Rural people deposited through agent banking service Tk. 2455.51 crore, a figure increased by 168.15% compared to 2017. It mentionable that through agent banking, banks provided remittance amounting Tk. 5557.42 crore up till 2018, which is almost 3 times compared to 2017

Key Words: Agent, Agent banking, Financial inclusion, Outlet, Reliability, Loyalty.

Introduction

Banking Industry plays a significant role in building sound economy by providing effective financial services. Most of the banks in Bangladesh try to upgrade their banking service. As such, Mobile banking, a banking service has recorded remarkable growth in Bangladesh since its inception in 2011. A huge number of people still remain out of the formal banking services. To bring this large number of populations under the formal banking network, Bangladesh Bank introduced “Agent Banking” in late 2013. Agent Banking, a new concept of banking operation is added in banking service after the successful adoption of ATM facility, Mobile banking, Internet banking etc. in our country. This has enabled minimizing the gap between the bank and the unbanked people, made banking services accessible to rural people, and offered cost effective banking services. As per the Bangladesh Bank Guidelines, Agent Banking (AB) operates by providing limited scale banking and financial services to the underserved population through engaged agents under a valid agency agreement rather than a teller or cashier. It is an appropriate secured innovative

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banking concept where each and every transaction is completed by verification of customers' Finger-Print through Biometric Machine and regulated under the guidelines of Bangladesh Bank. Besides, customers get instant confirmation of transaction through short message service (SMS) in mobile and system generated printed money receipts. As such, commercial banks ought to give much emphasis on the rural areas to cover lion share of the target group but at the same time will not ignore the rest of the target customers by concentrating on the urban area in a limited scope. A bank must have at least two rural agent banking outlets to have one urban agent banking outlet.

Banking experts say time has come that there will be no individuals out of the banking service in the country. Most Bangladeshi public and private banks are operating their businesses in urban and semi urban areas through authorized agent to connect geographically dispersed population under the banking net. These agents, who are usually owners of outlets, act as important distribution channel to expand banking network all over the Bangladesh. AB offers several services such as account opening, cash receiving & payment, foreign remittance payment, fund transfer, utility bill collection, cheque requisition, fund transfer, balance inquiry, debit & credit card application, internet banking, and agriculture & microcredit. Now customer can enjoy the convenience of banking service at any place of the country through AB operation. As a result, a huge number of people are coming under banking service with the help of agent banking which will contribute a lot to the economic growth of the country. As per Bangladesh Bank (BB), the number of accounts for agent banking has reached 2,456.98 thousand by the end of December 2018 with most of the accounts opening in the remote areas of our country.

The Finance Bill, 2009 sought to introduce agent banking. Institutions would be allowed to conduct banking business through third party agents duly approved by the Central Bank. The Central Bank would be required to prescribe the manner of carrying out agency banking business. In preparation for the new model of conducting banking business, supervision department of BB carried out preparatory work with regard to the formulation of guidelines to guide agent banking. In progression AB service was introduced in our country through issuing Payment System Department (PSD) Circular No: 05, dated 09 December, 2013 with a view to providing financial services to the underprivileged, underserved population and the poor segment of society, especially from geographically dispersed location.

Siddiquie M.R. (2014) conducted a study on “Agent banking and the revolution in financial service sector of Bangladesh” and found that Agent banking has a huge possibility in Bangladesh.

Adib (2016) found that “Agent Banking service is a new version of banking service and it try to spread across the country. The main purpose of agent banking is to bring and introduce the banking services to the people of rural areas through an agent where the physical structure of a bank can't establish there.

These studies dealt with prospects and adoption scenarios of agent banking services in different countries and no more studies on services qualities of AB that lead to adoption and form customer perception of service quality dimensions of agent

banking services. Service quality is the extent to which customers' perceptions of service meet and/or exceed their expectations (Zeithaml *et al.*, 1990). Parasuraman (1988) defines service quality as "the differences between customer expectations and perceptions of service".

Perceived ease of use is defined as the individual's perception that using the new technology will be free of effort. Applying this context to that of agent banking, ease of use refers to consumers' perceptions that banking through agents will involve a minimum of effort (Davis, 1993). According to the Technology Acceptance Model (TAM) (Davis, 1989), perceived ease of use has a dual effect, direct as well as indirect, on consumers' intention to adopt certain product or service. The indirect effect on intention occurs through perceived usefulness because the easier a technology is to use, the more useful it can be (Venkatesh and Davis, 2000; Dabholkar *et al.*, 1996; Davis *et al.* 1989).

Parasuraman *et al.* (1988) presented ten dimensions of service quality. At first SERVQUAL model had come with 22 pairs of Likert-type items, where one part measured perceived level of service provided by a particular organization and the other part measured expected level of service quality by respondent (Kuo, 2003). Zeithaml *et al.* (2006) proposed five dimensions of SERVQUAL model. One of those dimensions is Reliability i.e. ability to perform the promised service dependably and accurately.

One of the most frequently cited reasons for consumers not agent banking service is the lack of trust (Lee & Turban, 2001) and a level of risk. Doney and Cannon (1997) reported that most salient source of trust in agent banking is that the consumer's trust being dependent on the agent's integrity, transparency, and a sense of honesty to the customer. In AB environment, customer cannot physically contact with the banker to check the authenticity of its transaction and security of financial information (Lee & Turban, 2001). The study suggests that consumers' trust agent banking services is positively affected by reliability on agents of agent banking services and subsequently impacts customer satisfaction and loyalty in adopting agent banking services.

Satisfaction can also be a person's feelings of pleasure that results from comparing a product's perceived performance or outcome with their expectations (Kotler & Keller, 2009). Customer satisfaction is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption (Tse & Wilton, 1988). Regarding the relationship between service quality dimensions and customer satisfaction, Fornell and Johnson (1993) suggested that dimensions of service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. In this study, it is conceptualized that customer satisfaction in agent banking service came from ease of use, reliability, and trust in using agent banking services.

The importance of loyalty in service environment has been confirmed by many research works and literatures are available on that (Blois, 1999). A loyal customer has positive feelings about his experience with a product or service and this loyalty

in quantifiable financial benefits. A repeat product purchase or service use intention of customers and their positive Word of Mouth communication to others represents customer loyalty and it can be measured by the repeat sales (Heskkett *et al.* 1994).

However, very few of these studies focused on customer perception regarding different attributes and loyalty of agent banking service and business expansion of services in growing economy of Bangladesh. This study is devoted to fill this existing gap in the literature of agent banking and provide an up to date and comprehensive overview of agent banking market expansion in Bangladesh. Hence, objectives of this study are as follows :

- To elicit perception of agent banking services among its prospective customers
- To determine factors that constitute customer satisfaction and customer loyalty of agent banking service
- To provide current scenario and ongoing expansion of agent banking services in Bangladesh over the past couple of years.

Methodology

Instrumentation and manures

To accomplish the objectives of this study both the primary and secondary data have been collected. Several statistical tools were used to process the data into understandable format. The study contains two parts. In first part, secondary sources, publications of Bangladesh Bank, Bangladesh institute of Bank Management, papers International and local publications, Information from Internet, books and related journals, Website of different Banks, Different daily and online newspapers, were analyzed to understand present scenario and comparative business expansion of agent banking services in rural and urban areas in Bangladesh. In second part, primary data were used to analyze to identify the determinants of customer perception, satisfaction of agent banking and their impacts on retaining customer loyalty among the respondents. The variables used in this study include Usability, Reliability, Customer Satisfaction, Trust, Customer loyalty. Structural equation modeling (SEM) was used to analyze the data in this study because it can demonstrate multiple direct and indirect relationships between independent and dependent variables at the same time (Hair *et al.*, 2010). The target population of this study was the users of agent banking services. Statistical analysis (Descriptive Statistics, KMO Test, Reliability, and Correlations) was performed using IBM SPSS version 21. SEM was diagrammed in IBM AMOS 21.

Sample

A convenience sampling method was used to collect primary data. The sample of the study was individuals from all professional back ground in Barisal division so as to ensure great variety of responses. The response was collected through face to face interview and the survey was conducted from January to February 2019. The indicators of all the variables in this study are measured by Likert scale 1–5 where

“1” indicates “strongly disagree” and “5” indicates “strongly agree”. A total of 154 respondents filled out the survey. Malhotra and Dash (2011) recommended that SEM models with five or fewer constructs, each with three measure variables, should be estimated with the sample size of at least 100.

Conceptual Framework

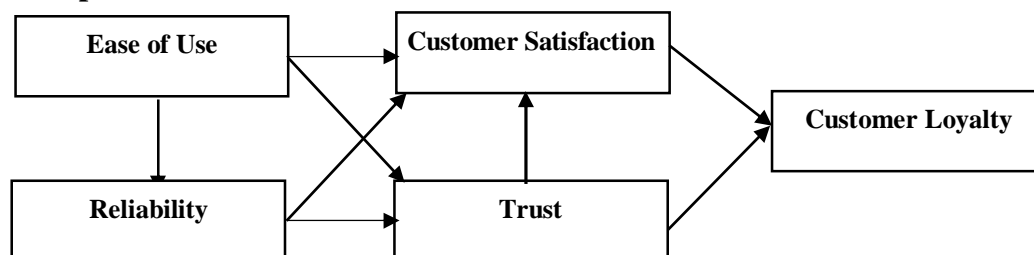


Figure 1: Conceptual Framework of Relationship among consumer perception, customer satisfaction, and customer loyalty of agent banking services

Hypothesis Formulation

Table 1. List of Hypotheses of Relationship among Consumer Perception, Customer Satisfaction, and Customer Loyalty

Hypothesis (H)	Consumer Motivating Factor(s)	Role of Item	Consumer Action
H1	Usability of Agent Baking Service	Positively affects	Reliability on Agent Banking Service
H2	Reliability on Agent Banking Service	Positively affects	Trust in Agent Banking Service
H3	Usability of Agent Baking Service		Customer Satisfaction of Agent Banking Service
H4	Usability of Agent Baking Service		
H5	Trust in Agent Banking Service	Leads to	Customer Satisfaction of Agent Banking Service
H6	Reliability on Agent Banking Service		
H7	Customer Satisfaction in Agent Banking Service	Generates	Brand Loyalty
H8	Trust in Agent Banking Service		

Results and Discussion

Demographic profile of the respondents

The demographic outputs present that majority of the respondents were male (78.60 percent) and were business professionals (47.40 percent). On the other hand, a majority of respondents is businessman (61.70 percent). It represents a demographic feature in the context of agent banking usage because businessman is perceived to be major customer of agent banking. The demographic profiles of the respondents have been shown in Table 2.

Table 2. The respondents' profile

Demographics	Profession	Male	Female	Total
Working status	Housewife	0 (0.0%)	5 (3.2%)	5 (3.2%)
	Student	14 (9.1%)	4 (2.6%)	18 (11.7%)
	Service holder	28 (18.2%)	2 (1.3%)	30 (19.5%)
	Specialized Professional (Doctor, Engineer, Lawyer, etc.)	3 (1.9%)	0 (0.0%)	3 (1.9%)
	Unemployed	3 (1.9%)	0 (0.0%)	3 (1.9%)
	Businessman	73 (47.4%)	22 (14.3%)	95 (61.7%)
Total		121 (78.6%)	33 (21.4%)	154 (100%)
Use frequency of Agent Banking	Never	2 (1.3%)	4 (2.6%)	6 (3.9%)
	Seldom	8 (5.2%)	2 (1.3%)	10(6.5%)
	Sometimes	23 (14.9%)	2 (1.3%)	25 (16.2%)
	Often	31 (20.1%)	7 (4.5%)	38 (24.7%)
	Always	57 (37.0%)	18 (11.7%)	75 (48.7%)
Total		121 (78.6%)	33 (21.4%)	154 (100.0%)

Source: Primary Data

Table 3. Sampling Adequacy, reliability of items, and inter items correlations

KMO and Bartlett's Test				Threshold Value	Sample Size		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.808	.70	n >150		
Bartlett's Test of Sphericity (Significant; $p < .001$)			.000				
Reliability (Cronbach's Alpha = α)		N of Items	Threshold Value	Sample Size			
.838		22	.70	154			
Inter Items Correlations							
Items	Use	Reliability	Trust	Customer Satisfaction	Customer Loyalty	Mean	Stdev.
Use	<i>.813</i>					3.40	0.65
Reliability	<i>.552**</i>	<i>.790</i>				3.32	0.80
Trust	<i>.518**</i>	<i>.554**</i>	<i>.801</i>			3.59	0.58
Customer Satisfaction	<i>.452**</i>	<i>.534**</i>	<i>.471**</i>	<i>.815</i>		3.55	0.57
Customer Loyalty	<i>.438**</i>	<i>.575**</i>	<i>.556**</i>	<i>.492**</i>	<i>.803</i>	3.39	0.63
**. Correlation is significant at the 0.01 level (2-tailed).							
Italic numbers represent Cronbach's Alpha if respective Item is deleted							

KMO and Bartlett's test of sampling adequacy has achieved threshold value against the sample size. Reliability refers to the consistency of the item-level errors within a single factor. Reliability means just what it sounds like: a "reliable" set of variables will consistently load on the same factor. The way to test reliability is to compute Cronbach's alpha for each factor. Cronbach's alpha should be above 0.7; although, ceteris paribus, the value are generally increased for factors with more variables, and decrease for factors with fewer variables. We also satisfied the condition of retaining at least 3 variables in our research model. Interitem correlation matrix displays the correlation between the variables. High correlation among all the variables exist (all variables are indicated

above 0.40 correlations). Any items from the study would not increase reliability i.e. no individual item carries cornbach's alpha greater than aggregate reliability ($\alpha = .838$). Based on customer responses, Trust in agent banking service carries high significance (Mean = 3.59) with less variations (Stdev. = 0.58) to major customers.

Model fit indices

To measure the validity of structural equation model, Maximum likelihood estimation (MLE) technique was used for the measurement model. MLE was used because MLE provides valid and stable results (Hair *et al.*, 2009). Chi-Square Test (χ^2), adjusted goodness of fit (AGFI) and other indices must reach the cutoff point of each fit indices. Table IV shows various fit indices for CFA model. Comparative Fit Index (CFI), Normed Fit Index (NFI), and, Tucker Lewis Index (TLI) should be ≥ 0.90 , Adjusted goodness of fit (AGFI) index should be greater than 0.8. Root mean square error of approximation (RMSEA) should be 0.08. In this study, the results of the fit indices for structural model confirm all the indices attain their cutoff points. Hence, it can be inferred that the proposed model is reliable.

Table 4. Model fit indices

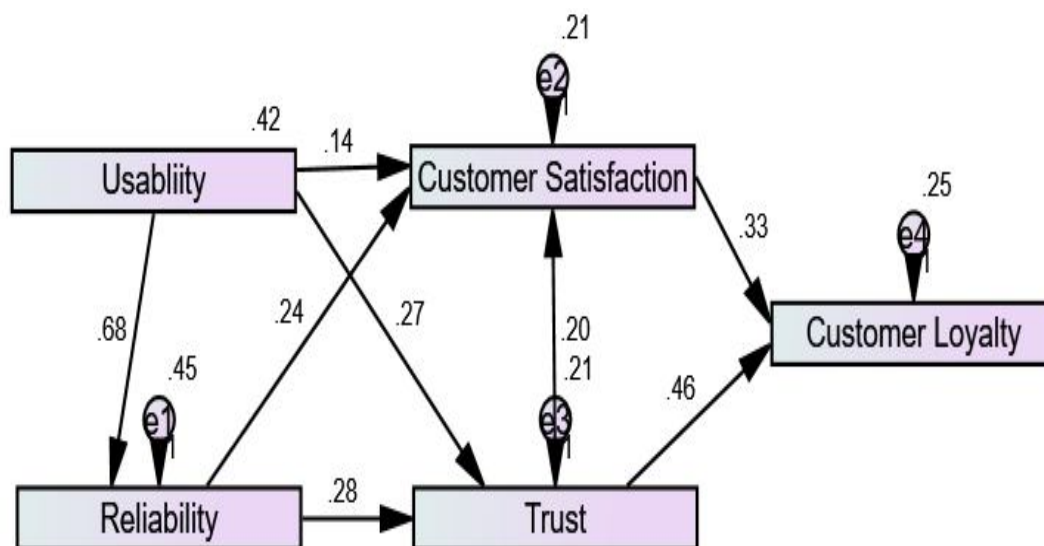
Index of Fit	χ^2 *	P Value	CMIN	AGFI	CFI	NFI	TLI	RMSEA
Obtained Value	15.339	.091.	1.282	.888	.936	.953	.915	.043
Threshold Value **		> .05	1 - 3	> .80	> .90	> .90	> .90	$\leq .08$
Chi - Square* $H_0 =$ <i>The structural equation model fits perfectly.</i>								
** Source: Cornell Statistical Consulting Unit, Cornell University.								

Tests of hypothesis

Table 5. Results of hypotheses testing

Path	β Estimate	S.E	C.R.	P	Hypothesis	Result
Reliability <--- Use	.681	.083	8.195	***	H1	Acceptance
Trust <--- Reliability	.278	.055	5.017	***	H2	Acceptance
Trust <--- Use	.270	.068	3.963	***	H3	Acceptance
Satisfaction <--- Use	.145	.073	1.992	.046	H4	Rejection
Satisfaction <--- Trust	.202	.082	2.462	.014	H5	Rejection
Satisfaction <--- Reliability	.237	.061	3.911	***	H6	Acceptance
Customer Loyalty <--- Satisfaction	.327	.080	4.088	***	H7	Acceptance
Customer Loyalty <--- Trust	.458	.079	5.767	***	H8	Acceptance
*** = $P < .001$, statistically significant						
Standard error of items		Variance		P	Label	
Use		.422		***	Significant	
e1 (Reliability)		.446		***	Significant	
e3 (Customer Satisfaction)		.209		***	Significant	
e2 (Trust)		.214		***	Significant	
e4 (Customer Loyalty)		.249		***	Significant	

The hypothesized relationship between the constructs can be tested by the structural model. Table 5 shows that ease in usability of agent banking service has a positive direct effect on reliability of such service. The estimated path is statistically significant at 0.001 level ($\beta = 0.681$, $p = 0.000 < 0.001$). Likewise, reliability and ease of using agent banking service have both a positive direct effect on trust of such service which are also statistically significant at 0.001 level ($\beta = .278$ & $.270$ respectively, $p = 0.000 < 0.001$). These findings support our hypothesis H1, H2, and H3. In addition, Reliability of agent banking service leads to customer satisfaction statistically significant at 0.001 level ($\beta = 0.237$, $p = 0.000 < 0.001$). Furthermore, Trust and customer satisfaction in agent banking service generate customer loyalty of such service which are also statistically significant at 0.001 level ($\beta = .327$ & $.458$ respectively, $p = 0.000 < 0.001$). Therefore, these findings support our hypothesis H6,



H7, and H8. Moreover, the variances of all the items are significant, indicating that respondents consider all the variables independent of factors of agent banking service.

Figure 2. Representation of Path Coefficients (β Estimate) in Structural Equation Model (SEM)

PART II: Current scenario and comparative business expansion of agent banking services in rural and urban areas:

Comparison of total number of agent and outlets

Up to 31December 2018, 21Schedule banks got permission from Bangladesh Bank to operate their agent banking service. Nineteen banks have already started their agent banking activities all over the Bangladesh though their appointed agent as per guidelines of Bangladesh Bank.

Table 6. Comparison of total number of Agent and Outlets between Up to 31 December 2017 and Up to 31 December 2018

Year / Number of Agent and Outlets	December 31, 2018			December 31, 2017			Increased in numbers from 2017 to 2018		Increased in (%) from 2017 to 2018		Total Increased in (%) from 2017 to 2018
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Urban	Rural	
Number of Agents	425	4064	4493	267	2310	2577	158	1754	59.18	75.93	74.35
Number of Outlets	601	6332	6933	364	3793	2577	237	2539	65.11	66.94	66.78

Source:Bangladesh Bank quarterly agent banking reports(2017 & 2018)

As per Bangladesh Bank guidelines, most of the Schedule Banks place top priority to deliver banking service to the unbanked people through their agents. As a result, the number of Agents and outlets of the respective banks has been increasing day by day. Up to 31 December 2018, total number of Agents and Outlets of all commercial banks were 4493 and 6933 respectively whereas in 2017 the total number of Agents and Outlets rose to 2577 and 2577, respectively. In comparison of single year, total number of Agents and Outlets increased 74.35% and 66.78% respectively from 2017 to 2018. Moreover, the number of agents operating in rural area is 9.56 times that of urban area in 2018. In continuation, it was 8.65 times in 2017, supporting the agent banking purpose and fulfilling the guidelines of Bangladesh Banks ratio 3:1.

Accounts opening comparison in rural and urban areas

Banks are always trying to expand their market share through increasing number of accounts. Agent banking is another source by which banks can knock at the customers' door and open various types of accounts. Comparing the year 2017 and 2018, Current Account, Savings Accounts, and Others Accounts increase 87.35%, 103.03%, and 101.67%, respectively. So current observations on account opening indicate that banks are performing and penetrating their market at reasonable level. Agent banking service aims to bring rural people in banking channel and provide financial service. In pursuance of such objective, in 2018 the number of accounts opened in rural areas is 6.69 times that of urban areas. Previously it was 5.90 times in 2017. In span of one-year, total number of accounts increased by 102.33% from 2017 to 2018, indicating a good sign for agent banking operation.

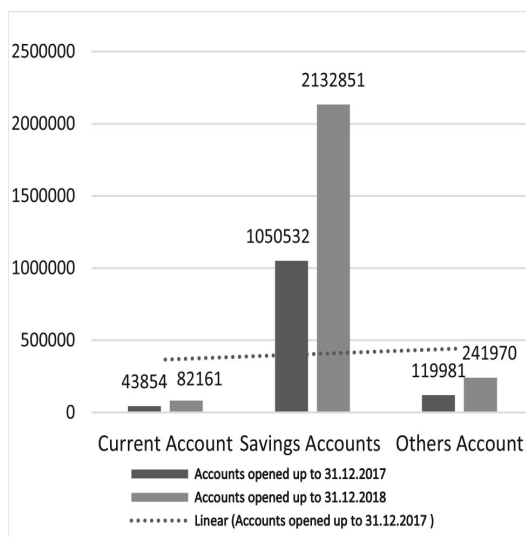


Figure 3. Types of accounts opened in 2017 & 2018

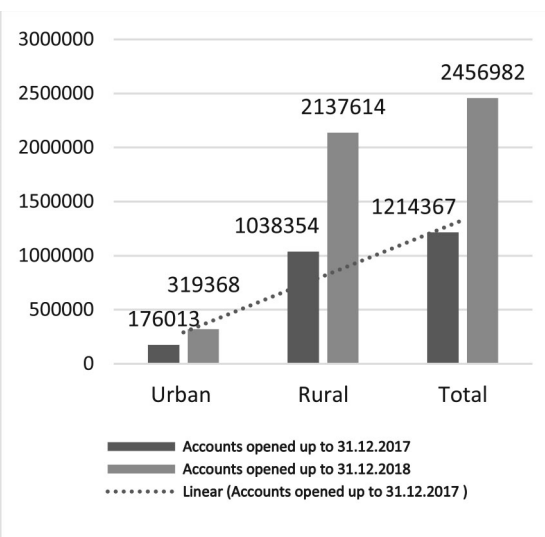


Figure 4. Comparative accounts opening scenario in Urban and Rural areas during 2017 and 2018

Source: Bangladesh Bank quarterly agent banking reports (2017 & 2018)

Deposit comparison on the basis of account types and areas

By dint of agent banking, people in remote areas save their earnings into the bank. This increases deposit flow and reduces liquidity crisis in banking industry. Through other types of bank accounts such as FDR, MSS and MIS, etc. people can earn some money as interest which helps them in their personal life expenditure. Table 5 indicates that the saving tendencies of people are increasing day by day due to reliability of banks. Specifically, savings account and other accounts deposit increased by 133.79% and 113.76% respectively compared to 2017 and 2018.

Agent banking is becoming a blessing for the people who were in out of banking network, especially in rural areas. Most of the time, rural people used to depend on the local micro credit agencies which had the unethical practice of betrayal with people's deposit. Now agent banking service is regaining as a trusty partner of people, since as per agent banking guidelines Bank take the necessary procedures for the security of the money transacted at client level. Apart from that, It's almost similar to traditional banking. Clients get detailed information of their monetary transactions on mobile phones. The new concept of banking has become more reliable so that saving tendency of people, especially rural area increased rapidly. In 2018, people deposited Tk. 3112.41 crore through agent banking, a figure that is 2.22 times higher than the previous year. From the data available we observe that saving tendency of rural people is higher than urban. In 2018, Rural people deposited through agent banking service Tk. 2455.51 crore, which is increased by 168.15% compared to 2017.

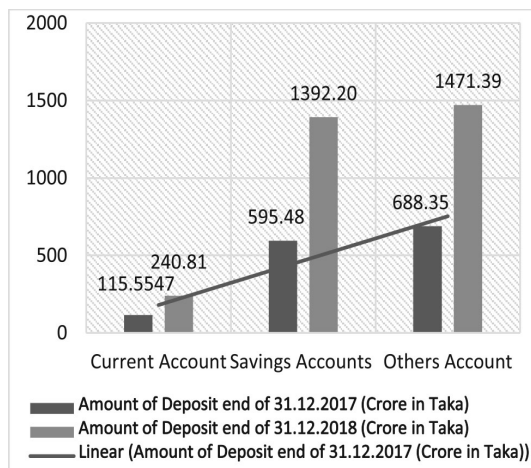


Figure 5. Deposit comparison at the end of 2017 and 2018 on the basis of account types

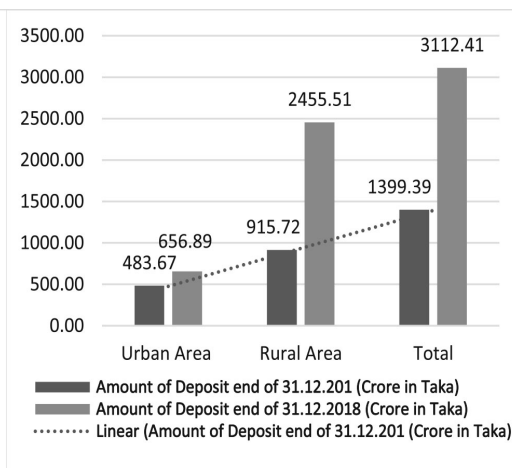


Figure 6. Deposit comparison on the basis of areaduring 2017 and 2018

Source: Bangladesh Bank quarterly agent banking reports (2017 & 2018)

Loan provided by Agent Banking

Through Agent banking service banks not only provide remittance, deposit and cash withdrawal services but also provide loan to the people to encourage them to entrepreneurial ventures from where they can earn money. Banks utilize their deposits in investment activity. Business can't boost up without the help of financial institution. SME business development is one of the vehicles of accelerating the economic growth and industrial proliferation of a country. Agent banking working as a catalyst for accelerates of SME business. From the current observation, the tendency of providing and taking loan is increasing both in urban and rural area. Most of the banks provide SME loan to the rural women entrepreneurs in relatively lower interest rate to do business on parlor, poultry, stores, dairy farm and Agri-industry, etc. Income generated from such business is helpful to meet up the family expenditure, children education, women empowerment, and to repay the loan. It has been observed from the study that the percentage of providing loan to customer in urban area is higher than rural, but in case of disbursement in amount rural area are far ahead, indicating good symbol for changing socio-economic condition of rural area and economy as a whole.

Table 7: Loan provided by Agent banking operation from 2017 to 2018

Area Basis	Loan provided up to 31.12.2017 (Crore in Taka)	Loan provided up to 31.12.2018 (Crore in Taka)	Changes in percentage (%) comparing 2017 to 2018
Urban Area	11.30	34.09	201.60
Rural Area	97.54	155.40	59.31
Total	108.84	189.49	74.09

Source: Bangladesh Bank quarterly agent banking reports (2017 & 2018)

Inward Remittance channelized through Agent Banking

Remittance is considered as a source of foreign currency earnings in Bangladesh though now it is holding second position. Agent banking service plays an important role to provide remittance service to those customers, who live in remote areas and need traveling too far to get remittance service. Like as traditional banking, agent banking provides remittance service to the customer comparatively at easy and quickest possible time. It mentionable here that through agent banking, banks provided remittance amounting Tk. 5557.42 crore up to December 31,2018, which is almost 3 times compared to 2017. The study observed that remittance flow is increasing both in urban and rural area. Besides, the amount of remittance flow in rural area is higher than urban area, indicating that rural people who left out of formal banking service are becoming more interested in Agent banking.

Table 8. Inward Remittance flow during 2017 and 2018

Area Basis	Inward Remittance flow 31.12.2017 (Crore in Taka)	Inward Remittance flow 31.12.2018 (Crore in Taka)	Changes in percentage (%) comparing 2017 to 2018
Urban Area	199.38	506.58	154.08
Rural Area	1782.64	5050.85	183.34
Total	1982.02	5557.42	180.39

Source: Bangladesh Bank quarterly agent banking reports (2017 & 2018)

Conclusion

The economy of a country largely depends on some sectors whose contribution to the economy is vital to make the country prosper. Bangladesh is a country, where about 85% of population lives in village and most of them were out of formal banking channel. The information presented in this study suggests that they are being brought under financial inclusion in the country's banking industry through agent banking service. Agent banking facilitates the customers in such a way that they needn't travel too far to get banking services. Like any other sphere of contemporary socio-economic activities, Agent banking is a powerful medium of bringing about socio economic changes of a developing country. Rapid and sustainable growth of agent banking is undoubtedly one vehicle for accelerating national economic growth to the point of having a measurable impact in the way of reduction of poverty, unemployment and generation of more employment. Furthermore, the study attempts to measure factors such as usability, reliability, trust in agent banking service lead to customer satisfaction and loyalty among the respondents. According to the results shown in the preceding section, usability of agent banking service lead to trust and reliability of agent banking service. The usability features of Agent banking service provided by Banks are reliable. Moreover, Hypothesis results also indicate that Reliability of agent banking service leads to customer satisfaction and Trust and customer satisfaction in agent banking service generate customer loyalty of such

service.

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