



Bank Customers' Perception on the Adoption of Agency Banking Services in Dodoma, Tanzania

Julius Macha

Institute of Finance Management, Tanzania

Corresponding Author: Julius Macha; julius.macha@ifm.ac.tz

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ABSTRACT

This study investigates the factors influencing the adoption of agency banking services among bank customers in Dodoma, Tanzania. It specifically examines the effects of perceived transaction costs, convenience, security, and subjective norms on customers' adoption of agency banking. A quantitative research design was employed, utilizing survey data from 200 bank customers. Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software was applied to test the hypothesized relationships and to evaluate both the measurement and structural models. The results indicate that greater convenience significantly enhance the likelihood of adopting agency banking. In addition, subjective norms were found to shape customers' decisions, while perceptions of security strongly influenced their willingness to engage in agency banking. However, perceived transaction cost was found to be statistically insignificant. The study recommends that banks should expand the number of agency outlets to strengthen accessibility, and enhance security measures to safeguard both customer and agent funds. Additionally, banks should leverage subjective norms by strengthening customer awareness campaigns, promoting positive word-of-mouth, and engaging community influencers to shape favorable attitudes toward agency banking, thereby building customer trust and accelerating adoption

INTRODUCTION

Agency banking has emerged as a transformative model for enhancing financial inclusion, particularly in developing countries where formal banking infrastructure is often inadequate. Traditional banks have long struggled to extend their services to rural and underserved populations due to high operational costs, geographical constraints, and limited infrastructure (FSDT & TAFINA, 2024). Agency banking addresses these challenges by leveraging networks of third-party agents such as retail shops, post offices, supermarkets and mobile money agents to deliver basic financial services on behalf of banks and other financial institutions (Nanziri & Gbahabo, 2025). Typical services provided include deposits, withdrawals, transfers, bill payments, and even access to credit and debit card applications (Kustina et al., 2019). By extending banking services into communities where traditional bank branches are absent, agency banking not only promotes financial inclusion but also fosters socio-economic development. In particular, financial inclusion generates multiple socio-economic benefits that include the reduction of poverty, the creation of employment opportunities, the empowerment of women, and the improvement of savings and investment behaviour (Saha, 2023).

One of the key drivers of agency banking growth is the rapid adoption of mobile phones and digital technologies, which have significantly lowered service delivery costs and increased accessibility for underserved populations (Abel et al., 2018; Rachmawati et al., 2020). This technological shift has fueled the expansion of mobile money platforms and digital financial services that rely on agent networks to bridge the last-mile gap. The agency banking has become a vital tool for extending banking services to both urban and rural populations. Recognizing benefits of agency banking, the Tanzanian government introduced agent banking guidelines in 2013, allowing licensed banks and financial institutions to appoint retail agents as delivery channels for their services (BOT, 2014). In the same period, the Bank of Tanzania approved 591 agents to provide banking services across the country. Since then, agency banking has expanded considerably, evidenced by the increasing number of agents, rising financial transactions, and larger volumes of cash deposits and withdrawals (Balele et al., 2018). For instance, the number of agents in Tanzania grew by 37 percent between 2023 and 2024, reaching 145,430 agents nationwide. Overall, the growing adoption of agency banking services by customers is likely to encourage the establishment of even more outlets, consequently increased deposit and other financial transactions.

However, despite this impressive growth, regional disparities remain. For example, in 2024 Dodoma, Tanzania's capital city, had only 7,742 agents compared to 45,316 agents in Arusha (BOT, 2024). This signifies despite of the growth witnessed in the agency banking in Tanzania yet challenges are pervasive. The common challenges encountered include accessibility barriers, security risks, high transaction costs, and individuals' perception (subjective norms) about banking services. This indicates that while agency banking has grown rapidly, challenges persist. In promoting uptake of agency banking, the Bank of Tanzania relaxed the eligibility criteria for becoming a banking agent that

include removing 18 months experience requirement and allowing anyone with National Identification number to qualify as an agent. The public awareness campaign are regularly conducted by Bank of Tanzania to inform the public about agency banking services. In addition, the issuance of 2013 agent banking guidelines that provide a clear legal and regulatory framework for banks to use third-party agents in delivering financial services.

Nevertheless, the uptake of agency banking services in Tanzania is still low despite of various measures taken by the Government (BOT, 2020; Masele & Mwakitalu, 2024). Several studies have been conducted to investigate different dimensions of agency banking in the country, including its relationship with SMEs' performance, its impact on agents' income, and its role in promoting financial inclusion (Kunda & Naho, 2025; Lotto, 2017; Mufungo & Ngonyani, 2024). Furthermore, extant studies investigated influence of agency banking on farmers' welfare and unlocking financial inclusion with agent banking (Kalinga, 2023; Msamba, 2025). However, these studies have not adequately addressed behavioral factors that influence customers' adoption of agency banking services.

To fill this gap, the current study investigates the influence of perceived cost, perceived security, perceived convenience, and subjective norms on customers' adoption of agency banking services. The study adopts the Technology Acceptance Model (TAM) as its theoretical framework (Davis, 1989). Within the agency banking context, perceived convenience is associated with Perceived Ease of Use, while perceived security and reduced transaction costs correspond to Perceived Usefulness. Thus, TAM offers a suitable lens for explaining adoption behavior, as it posits that customers are more likely to embrace agency banking services when they perceive them as easy to use, safe, affordable, and beneficial to their financial needs.

LITERATURE REVIEW

The Technology Acceptance Model (TAM), developed by Davis (1989), has been widely employed in studies that explain individuals' acceptance and use of technology. TAM emphasizes that behavioral intention to adopt a given technology is influenced by key constructs which are perceived usefulness and perceived ease of use. However, various studies have extended the model by integrating context-specific factors that enhance its explanatory power (Lee, 2009). In addition, Technology Acceptance Model (TAM) has long been regarded as a prominent framework for examining online banking adoption, largely because of its broad applicability, strong generalizability, and proven relevance across diverse technological contexts (Gokmenoglu & Kaakeh, 2022). A number of studies have applied the Technology Acceptance Model (TAM) to examine diverse issues across different contexts, including mobile banking adoption, internet banking adoption, marketing research trends, personal health record management, digital banking adoption, mobile payment adoption, and the uptake of financial services in banks (Aliza et al., 2025; Alsyouf et al., 2023; Bora & Romny, 2022; Ullah et al., 2022). In the context of financial services, particularly agency banking, scholars have highlighted the importance of factors such as perceived security, convenience, subjective norms, and costs as critical

determinants of adoption. Moreover, in the context of financial services, agency banking represents an innovative channel that extends banking services beyond traditional branches.

Building on this foundation, the present study adapts TAM by integrating perceived security, perceived convenience, subjective norms, and perceived costs to explain bank customers' adoption of agency banking services. Perceived security and perceived transaction costs align with the construct of perceived usefulness, while perceived convenience corresponds to perceived ease of use. Subjective norms are incorporated to capture the influence of social expectations and peer pressure, thus expanding the model beyond individual perceptions. Together, these constructs provide a holistic framework for examining customer behaviour toward agency banking. Specifically, perceived security strengthens customers' confidence in the safety of financial transactions, while perceived convenience enhances accessibility and time-saving benefits (Abdennebi, 2023; Imam et al., 2024). Subjective norms, drawn from social influence, play a role in shaping individuals' decisions based on peers' or community members' perceptions, whereas perceived costs affect customers' willingness to bear transaction charges relative to the value of services received (Bora & Romny, 2022). Thus, since the current study is grounded on TAM, it posits that bank customers' adoption of agency banking services is determined by their perceptions of security, convenience, subjective norms, and costs. The following conceptual model (Figure 1) illustrates the relationships between the adapted TAM constructs; perceived security, perceived convenience, subjective norms, and perceived costs and their influence on bank customers' adoption of agency banking services.

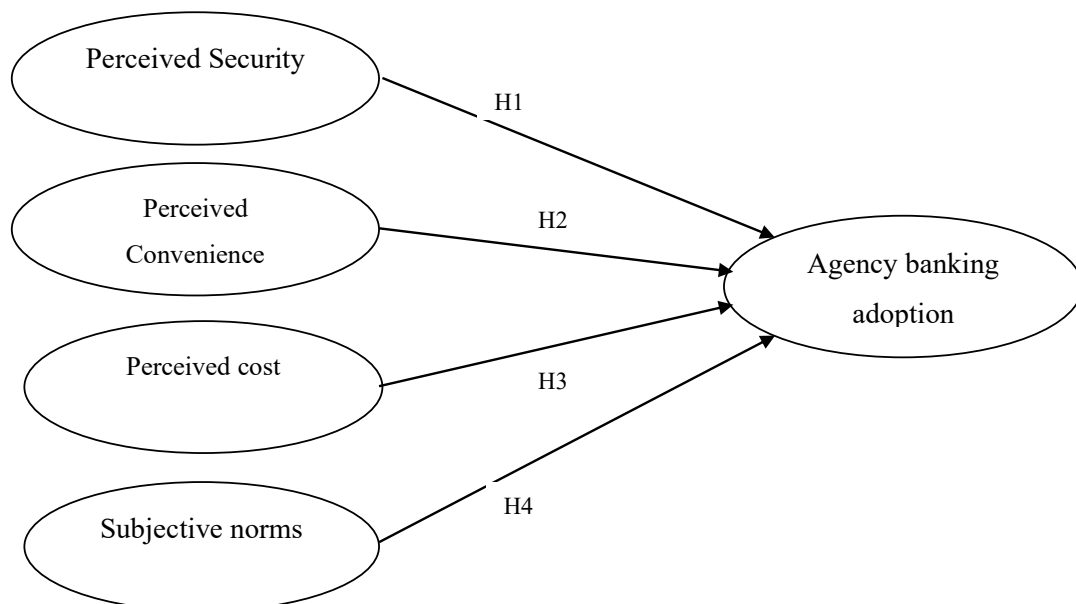


Figure 1. Research Framework

Perceived Security

Perceived security refers to the extent to which individuals believe that agency banking transactions are secure and their personal information won't be illegally accessed, stored, or manipulated by others (Quynh & Truong, 2023). The concept underscores the confidence that personal and financial data will not be misused, altered, or stolen by third parties in the financial transactions (Lai, 2021; Wandira & Fauzi, 2022). Thus, perceived security plays a crucial role in shaping adoption behavior in agency banking. Researches indicate that security concerns remain one of the major impediment to adopting innovative financial services like mobile banking, digital financial services, mobile payments and internet banking (Almaiah et al., 2022; Sahondra et al., 2022). In the context of agency banking, customers are more likely to adopt agency banking services if they are confident in the financial system's ability to protect their data and transactions. In contrast, a lack of trust in security can create hesitation and resistance toward these services. Therefore the current study suggest the following hypothesis;
H1: Perceived security positively influences bank customers' adoption of agency banking services.

Perceived Convenience

Perceived convenience is defined as the degree to which agency banking is viewed as accessible, time-saving, and easy to use (Tomasi, 2024). Research has consistently identified convenience as a key factor in the adoption of alternative banking channels (Ademe-Godwin & Akpan, 2023; Ivanova & Noh, 2022; Lai, 2021; Malamsha, 2019). Customers prefer services that offer quicker access and eliminate the need to visit traditional bank branches. Hence, convenience in agency banking is usually associated with several key aspects: easy accessibility across diverse locations, particularly in remote or underserved areas; a wide range of services offered; and significant savings in time and effort (Adhimursandi et al., 2021; Sigdel, 2024). Given that most of the formal bank branches in Tanzania are concentrated in urban areas, thus the enhanced convenience would increase the uptake of agency banking services in the country. Therefore, this study postulates that;

H2: Perceived convenience positively influences bank customers' adoption of agency banking services.

Perceived Cost

Perceived cost pertains to the financial and non-financial expenses associated with using agency banking, such as service charges, transaction fees, or even time and effort (Ayinaddis et al., 2025; Broby, 2021). Previous studies have demonstrated that perceived cost to a greater extent influences individual engagement in different behaviour (Abdinoor & Mbamba, 2017; Amin et al., 2025; Nirmawan & Astiwardhani, 2021). Thus, cost has been one of the major factors that affect bank customers to embrace various banking services such as online banking, internet banking, Fintech services and mobile banking adoption (Addula, 2025; Tiwari, 2020). Similarly, in the context of agency banking, transaction fees, commissions and other associated charges are among the key financial considerations taken into account by agency banking customers. Therefore, high perceived costs could deter bank customers tendency to adopt agency banking services. On that basis, the study proposes that;

H3: Perceived costs negatively influence customers' adoption of agency banking services.

Subjective Norms

Subjective norms refer to the social pressure an individual feels to engage or not engage in a particular behavior (Ajzen, 1991). It captures the extent to which individuals perceive approval or disapproval from significant others regarding their decision to participate in financial services. Empirical studies in different disciplines such as mutual fund investment decision, mobile banking, insurance services, financial inclusion and entrepreneurial intention demonstrate that subjective norms exert a direct and positive influence on an individual's intention to undertake specific behaviour (Baba & Keling, 2025; Hailat et al., 2023; Hapsari, 2021; Musa et al., 2024). The social influence tends to be stronger among individuals with limited prior experience, as they rely more heavily on the opinions of trusted others (Prastiawan et al., 2021; Tun-Pin et al., 2019). In the Tanzanian context, such pressure may be particularly pronounced due to the strong collectivist cultural orientation. On this basis, the present study proposes the following hypothesis:

H4: Subjective norms positively influence bank customers' adoption of agency banking services.

METHODOLOGY

Design and Measurements

The current study employed quantitative research approach with a cross-sectional research design to collect and analyze data regarding bank customers' perception on agency banking adoption. Quantitative approach is appropriate to this study as it permits utilization of questionnaire which is a structured tool for data collection and objective measurement of bank customers' perceptions. Thus, a survey questionnaire is used in this study to collect data from agent bank customers in Dodoma region. The questionnaire comprised of demographic part that intended to collect data about respondents' profile. The second section of the questionnaire consisted of the constructs' items for perceived cost, perceived convenience, subjective norms, perceived security and agency banking adoption. A total of 22 items under 5 constructs were incorporated in the study conceptual model. The measurement items for each construct were adapted from relevant prior studies and were modified slightly to fit the context of this study without affecting the original message of the items. All items were assessed using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), allowing respondents to indicate the extent to which they agreed with each statement.

Data Collection and Analysis

The questionnaire containing the finalized items was used to collect data using a sample size of 250 agent bank customers in Dodoma region, chosen through convenience sampling. Data collection targeted agent bank users, hence the use of convenience sampling which is a non-probability technique was appropriate in this study due to confidential nature of banking transactions. Questionnaires were distributed through online google forms and physical distribution at agent bank outlets in the region. Voluntary participation was

ensured through informed consent, and no incentives were offered for participation in the study. Despite the convenience sampling could limit the generalizability of the results because of possible selection bias, however it permits efficient and quick collection of the study data. The sample size of 250 bank agents is sufficient for the study in identifying patterns within the population and they meet statistical analysis requirement as well and each construct in this study has more than four indicators (Jhantasana, 2023). Subsequent to successfully distribution and collection of data from bank customer agents; a total of 50 questionnaires were returned incomplete and hence unusable for the study. Therefore, final useful questionnaires used in this study were 200 only that constitute 80% response rate.

The sample size of 200 meets the minimum requirement for the multivariate technique used in this study; particularly Partial Least Squares Structural Equation Modeling (PLS-SEM) (Kock & Hadaya, 2018). It also aligns with recommendations derived from the G*Power tool, which supports the testing of models involving multiple constructs and paths in the current study (Fauzi, 2022). Thus, Partial Least Squares Structural Equation Modeling (PLS-SEM) is adopted in this study because it is ideal for this study's objective in examining the relationships and predicting outcomes. To perform the analysis, the study employed SmartPLS 3.0 software, which provides a user-friendly platform for estimating PLS-SEM models (Hair Jr et al., 2021). Unlike traditional SEM techniques, PLS-SEM is highly sophisticated that it has greater flexibility in handling different size of data and less stringent to multivariate data normality (Subhaktiyasa, 2024). Therefore, PLS-SEM was adopted as the most appropriate analytical approach to achieve the study's objectives.

RESULTS

Demographic Characteristics of Study Respondents

Table 1 presents demographic profile of the agent banking customers that reveals several key characteristics. The profile indicates majority of the participants were male who accounted for 60% (120 respondents), while females were 40% (80 respondents). The results implies male dominated the sample which signifies majority of agent banking are male who main users of the formal banking services in Tanzania. The findings demonstrate most of the respondents are relatively well educated. A larger proportion had higher education credentials, with 20% holding diplomas, 22.5% holding degrees, and 30% possessing postgraduate qualifications. This suggests that 72.5% of the agent bank customers had attained a diploma or higher level of education. Furthermore, the results demonstrates that 55.0% had between one to five years of experience, 32.5% had been involved in agency banking for more than five years and 12.5% of agent bank customers had less than one year of experience. Thus, this implies majority of the agent bank customers had significant experience in the use of agency banking to access financial services. In general,

the results implies that respondents in this study are well-experienced and well-educated group that enhance the value and credibility of this study.

Table 1: Respondents' Profile

Demographic variables	Categories	No. of Respondents	Percentage
Gender	male	120	60.0
	Female	80	40.0
Education	Primary	18	9.0
	Secondary	22	11.0
	Certificate	15	7.5
	Diploma	40	20.0
	Degree	45	22.5
	Postgraduate	60	30.0
Agency Bank	Less than 1 year	25	12.5
	1 to 5 years	110	55.0
	More than 5 years	65	32.5

Measurement Model

Construct Reliability and Validity Analysis

The use of Partial Least Squares Structural Equation Modeling (PLS-SEM) in this study requires assessment of the measurement model as a crucial first stage prior analyzing the structural model. The assessment of the measurement model is necessary to ensure the relationships between measurement items and latent variables are both valid and reliable. In addition, it minimizes measurement error and ensuring meaningful interpretation of the structural relationships. Therefore, figure 2 presents measurement model results where 4 items were dropped during the analysis as they had loading below threshold of 0.5 (Cardella et al., 2021; Kline, 2014). Hence eighteen measurement items that had satisfactory loading of above 0.5 that reflects strong indicator reliability and supporting convergent validity.

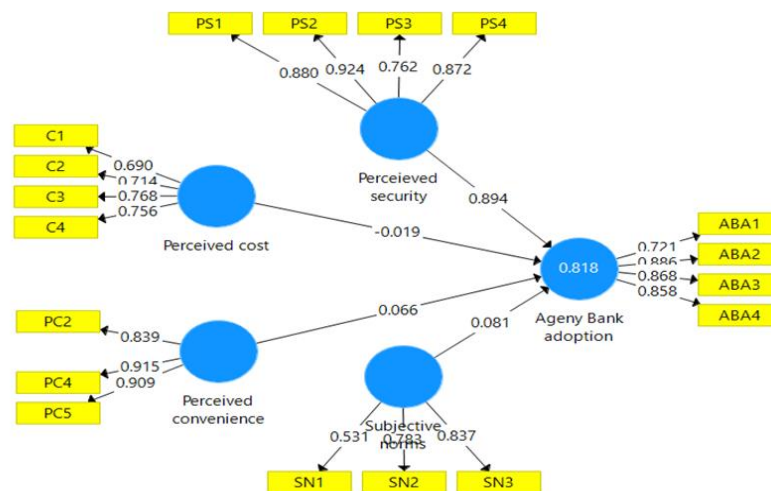


Figure 2. Measurement Model Results

Furthermore, table 2 results confirms that the composite reliability scores for all constructs exceeded the recommended threshold of 0.70. This demonstrates that the constructs are well-measured and that the items within each construct consistently reflect well the underlying concepts. In addition to that, to determine each construct validity the study examined average variance extracted (AVE) in which an AVE score of above 0.5 is deemed acceptable as it indicates that the construct explains more than half of the variance of its indicators (Cheung et al., 2024). Therefore, AVE results in table 2 suggests adequate construct validity across all constructs, as each AVE exceeds the minimum threshold, confirming that the indicators reliably represent their corresponding constructs.

Table 2. Measurement Model Results

Const ructs	Factor Loadings	Variance Inflation Factor (VIF)	Average variance extracted(AVE)	Composite reliability
C1	0.69	1.32	0.54	0.82
C2	0.71			
C3	0.77			
C4	0.76			
PC2	0.84	1.02	0.79	0.92
PC4	0.92			
PC5	0.91			
PS1	0.88	1.33	0.74	0.92
PS2	0.92			
PS3	0.76			
PS4	0.87			
SN1	0.53	1.02	0.53	0.77
SN2	0.78			
SN3	0.84			
ABA1	0.72		0.70	0.90
ABA2	0.89			
ABA3	0.87			
ABA4	0.86			

Note: C: Perceived cost; PC: Perceived convenience, PS: Perceived security, SN: Subjective norms, ABA: Agency banking adoption

Discriminant validity was tested in this study to ensure that the measurement items for each construct are distinct and do not significantly overlap with those of other constructs. Thus, table 3 present the discriminant validity results determined using Heterotrait-Monotrait (HTMT) criterion. The findings demonstrate that HTMT scores between the constructs are all below the required threshold of 0.85 (Table 4), which confirms adequate discriminant validity in this study. Moreover, discriminant validity was assessed using the Fornell and Larcker criterion (Fornell & Larcker, 1981). The results demonstrate that discriminant validity is established because the square root of the Average

Variance Extracted (AVE) for each construct exceed the correlations between that construct and all other constructs. Finally, the Variance Inflation Factor (VIF) was assessed to ensure that the study variables were not highly correlated, as multicollinearity can affect statistical results. As shown in Table 2, all VIF scores are below the commonly accepted threshold of 5, demonstrating that multicollinearity is not a concern in this study (Poudyal, 2025). Overall, these findings confirm that the measurement model is both reliable and valid for further analysis in this study.

Table 3. Discriminant Validity Results (HTMT Criterion)

Constructs	ABA	PS	PC	C	SN
ABA					
PS	0.018				
PC	0.195	0.129			
C	0.605	0.697	0.074		
SN	0.261	0.151	0.14	0.22	

Note: C: Perceived cost; PC: Perceived convenience, PS: Perceived security, SN: Subjective norms, ABA: Gency banking adoption

Table 4. Discriminant Validity (Fornell-Larker Criterion)

Constructs	ABA	PS	PC	C	SN
ABA	0.836				
PS	0.19	0.862			
PC	0.167	0.115	0.888		
C	0.485	0.555	0.028	0.733	
SN	0.174	0.108	-0.02	0.067	0.729

Note: C: Perceived cost; PC: Perceived convenience, PS: Perceived security, SN: Subjective norms, ABA: Agency banking adoption

Structural Model Assessment

The structural model and path analysis were conducted following successfully validation of the measurement model reliability and validity. The hypotheses of the study were tested using the bootstrap sampling method in SmartPLS 3.0. Prior to evaluating the relationships among the constructs, the overall model fit was assessed to ensure its adequacy. This step ensured that the structural model was suitable for further interpretation of the path coefficients and hypothesis testing. Model fit indicators demonstrated acceptable fit, with the Standardized Root Mean Square Residual (SRMR) recorded at 0.078 which is below the recommended threshold of 0.08. While, the Normed Fit Index (NFI) values surpassed the recommended threshold of 0.9, indicating a good model fit (Hair et al., 2019; Ramayah et al., 2017). In addition, the model exhibited strong explanatory power, as indicated by an R² value of 0.818 for agency bank adoption, suggesting that 81.8% of the variance in adoption behavior is explained by the predictors in the model (See Figure 2).

DISCUSSION

Table 5 presents the results of the regression analysis conducted to test four hypotheses (H1 to H4) using Partial Least Squares Structural Equation Modeling (PLS-SEM). The current study findings indicate perceived security has a strong and statistically significant positive impact on the bank customers' adoption of agency banking services ($\beta = 0.894$, $p < 0.001$). As the result, the hypothesis (H1) that suggest perceived security influence bank customers behaviour towards adoption of agency banking services is supported. The results concur with the previous studies such as Almaiah et al. (2022); Lai (2021); and Wandira & Fauzi (2022). This findings reinforces the TAM model constructs as one of the critical determinant in the adoption of alternative banking channels. This implies perceived security is one of the most important factor considered by agency banking customers to engage in banking services that involves transactions free of fraud and theft. In addition the use of well-trained agency bank service providers and application of secure authentication mechanisms would enhance security, hence increased usage of agency banking services. The available reports indicate usage of banking services in Tanzania among the adults is low. Therefore, strengthening the security of agency banking is expected to boost adoption, particularly due to its broader geographical reach compared to conventional branch-based banking.

Similarly, perceived convenience also indicates positive and significant impact on the adoption of agency banking services ($\beta = 0.066$, $p < 0.05$). The findings support the hypothesized relationship that perceived convenience has positive impact on bank customers' adoption of agency banking services, thus hypothesis (H2) supported. Furthermore, the results are consistent with previous studies that underscores the importance of convenience in shaping customer behavior (Ademe-Godwin & Akpan, 2023; Lai, 2021; Zeqiri et al., 2023). The results suggests that higher perceived convenience encourages customers to adopt agency banking services. Perceived convenience concept aligns closely with the perceived ease of use as described in the Technology Acceptance Model (TAM). Hence, a greater adoption of agency banking is likely to be driven by the ease and simplicity with which customers can carry out various transactions through bank agents.

Furthermore, subjective norms demonstrate a significant positive impact on agency banking adoption among the bank customers ($\beta = 0.081$, $p < 0.05$), providing evidence in favor of Hypothesis (H4). These findings mirror previous research and strongly underscore the impact of subjective norms on customer behavior (Ali et al., 2021; Almaiah et al., 2022; Hapsari, 2021; Lyimo & Dev, 2020). The study finding suggests that social pressure such as opinions from family members, friends, or peers play an important role in shaping agency bank customers decisions. It also implies that the collectivist culture remains prevalent in Tanzanian society, where community expectations and social pressure to a great extent influences bank customers to to adopt agency banking.

In contrast to other hypothesis, perceived cost demonstrates negative but statistically insignificant impact on agency banking adoption ($\beta = -0.019$, $p >$

0.05). As a result, hypothesis (H3) that suggests perceived cost influences adoption, is not supported. The findings concur with previous studies. This finding aligns with previous studies and indicates that agency banking customers are largely insensitive to costs (Alsoufi & Ali, 2014; Jain & Mathur, 2025). This demonstrate that agency bank customers are not sensitive on agency bank costs rather much focus is on security and convenience in their financial transactions.

Table 5. Regression Coefficients

Hypothesis	Path	Path coefficient(β)	Std. Error	T Statistics	P Values	Results
H1	PS -> ABA	0.894	0.028	32.436	0.000	Supported
H2	PC -> ABA	0.066	0.03	2.22	0.026	Supported
H3	C-> ABA	-0.019	0.042	0.447	0.655	Not supported
H4	SN-> ABA	0.081	0.033	2.437	0.015	Supported

Note: C: perceived cost; PC: Perceived convenience, PS: Perceived security, SN: Subjective norms, ABA: Agency banking adoption, H: Hypothesis

CONCLUSIONS AND RECOMMENDATIONS

This study explored the key factors influencing the adoption of agency banking services among bank customers in Dodoma, Tanzania. Utilizing the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, four hypotheses (H1 to H4) were tested, as presented in Table 5. The Technology Acceptance Model (TAM) served as the theoretical framework, guiding the examination of the structural relationships among the study constructs. The findings revealed that; three hypotheses (H1, H2 and H4) had positive and statistically significant impact on bank customers towards adoption of agency banking services. This results highlight the critical factors that influence adoption of agency banking services among the bank customers in the country. However, hypothesis (H3) had negative impact, but statistically insignificant in influencing bank customers to adopt agency banking services. This implies that agency banking customers prioritize on security and convenience in accessing banking services relative to costs involved to acquire financial services.

Among the four tested hypotheses, perceived security was found to have the strongest influence on the adoption of agency banking. The findings demonstrate that the rate of agency banking would be high if bank customers believe the level of financial security is desirable. The issue of financial transactions security is a common phenomenon in the developing economies where financial inclusion relies heavily on trust. Given the agency banking is current and innovative financial delivery channels in Tanzania; customers may feel skeptical in conducting transactions due to fears of fraud, data breaches, and

loss of funds. Therefore, to promote the expansion of agency banking, banks and financial regulatory authorities should prioritize strengthening security measures and effectively communicating them to bank customers. Banks investment in secure financial transaction systems, comprehensive training for bank agents and public awareness campaigns should be emphasized to build trust and encourage wider adoption.

The study's confirmation of significant impact of perceived convenience on bank customers' adoption of agency banking carries an important implication in the Tanzanian financial sector. This implies that reducing transaction wait time, expanding agent networks and improving the availability of financial services could promote adoption of agency banking. In Tanzania, access to banking services particularly in the rural and semi-urban is limited due to few bank branch networks, however enhancing convenience and security in the financial transactions would expand access and more customer participation to banking services. Thus, Banks and other stakeholders in the financial sector should prioritize strategies that improve the ease of access, speed, and simplicity of agency banking services. Moreover, integration of agency banking with innovative technologies such as mobile banking could further simplify processes and reach unbanked populations. Thus, favourable policies that encourage innovation and fair competition among agency banking providers should be created.

The findings revealed that significant individuals in the community such as family members, friends, peers, and relatives play an important role in shaping customers' perceptions and decisions to adopt agency banking services. This indicates that a collectivist culture remains prevalent in Tanzania, where social influence from close community members is a key factor in decision-making. These results suggest that bank customers' decisions to adopt agency banking are strongly influenced by the behaviors and experiences of those around them, particularly trusted individuals within their social network. Thus, banks and agency banking providers should leverage the communal and collectivist culture prevalent in the country to boost the adoption of agency banking services and advance financial inclusion efforts. Policymakers and agency bank service providers could collaborate with community-based groups, including sports teams, friends, relatives, and local leaders, to encourage adoption of agency banking services. Additionally, the communal culture that supports agency banking can be further reinforced by engaging celebrities, social groups, and social media influencers to disseminate valuable information and build trust in the use of agency banking.

FURTHER STUDY

Despite the unique contributions of this study to both theory and agency banking adoption practices in Tanzania, it has certain limitations that open up opportunities for future research. The study focuses exclusively on Dodoma bank customers, which could limit the generalizability of the findings to other regions in Tanzania. Therefore, future research should consider applying the proposed model in different regions to validate its broader applicability and enhance

comparative insights. During the course of this study and because of the nature of bank transactions some respondents were initially hesitant to share information with the researcher. This challenge was addressed by clearly explaining the study's objectives and demonstrating how the findings could help participants address their own concerns. Additionally, since the study was limited to urban areas, the researcher recommends that future studies be conducted in rural settings to explore factors influencing the uptake of agency banking in those contexts as well. Finally, the study used a convenience sampling which is a non-probability technique, this could introduce selection bias and limits the generalizability of the findings to the wider population of agency banking customers in the country. To ensure better representativeness for larger population of agency banking, further studies should be conducted that employ probability-based sampling methods.

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