Article

Conceptual Model for Financial Inclusion Development through Agency Banking in Competitive Markets

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Abstract

This article reports on a study that aimed to identify the important elements of financial inclusion based on a literature review and a case study of agency banking. The study explored and applied literature review findings and utilised a case study approach, notably of three renowned commercial banks in Zimbabwe, to illustrate the importance of financial inclusion through enhanced agency banking in competitive markets. An instrumental case study (cross-sectional) research protocol was employed for the three selected banks. A mixed methods approach was used to collect responses from the respondents in the field which included 10 agency banking department managers, 70 active agency bankers, and 300 active account holders or customers from the three selected banks. The researcher utilised an instrumental case study protocol which showed that the procedure for a standardised approach in carrying out more than one case study (for the three selected banks). The primary data was analysed and interpreted using SPSS, in line with the themes, devised from the research objectives. Structural equation modelling was applied so as to check the causal relationship between variables. It suggests a framework for building and fostering financial inclusion through agency banking. The findings showed that financial inclusion needs to be aligned to the corporate needs and processes to help deliver customer or depositor promises. The level of consistency along financial inclusion through agency banking, targeted towards the customers or depositors is critical to the success of agency banking by any banking or financial institution.

Keywords: development finance; financial strategy; inclusion; customer engagement; sustainable profitability

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Introduction

The main principles that govern financial inclusion are effective use, wide range of products and services, quality, accessibility, fairness and transparency, formal regulated entities as well as sustainability. Over the past decade, financial inclusion has been the epicentre of development strategy. Underlying this consensus is the belief that access to financial services is a powerful tool for poverty eradication (Donner 2016). The main notion behind financial inclusion through agency banking focuses on ensuring that a nation's populace has an inclusive financial system which is responsive to their needs. Therefore, financial inclusion facilitates the usage of quality and affordable financial services by the entire target population. Financial inclusion refers to the inability of individuals to access basic financial services as a result of challenges arising from access conditions, prices, marketing as well as self-exclusion in relation to their discouraging experiences or perceptions (Kariuki and Birner 2015). In line with Beck, Pamuk and Uras (2017), agency banking is an innovation which banks are using to provide services to the un-banked and under-banked at a cheaper fee. With this concept customers are taken out of the brick and mortar banking halls, to kiosks and villages, as argued in the article. The main principles that govern financial inclusion are effective use, a wide range of products and services, quality, accessibility, fairness and transparency, formal regulated entities as well as sustainability (RBZ 2016).

Definition of Key Terms

Financial Inclusion

The World Bank (2008) defines financial inclusion as the absence of price or non-price barriers in the use of financial services. It further states that less privileged and small entrepreneurs have to rely on informal sources to invest in because of their availability and easy accessibility but at a much greater interest burden. Thus, financial inclusion is universal access to a wide range of financial services at a reasonable cost. These services include not only banking products but also other financial services such as insurance and equity (Beck 2009). According to the United Nations Development Programme (UNDP 2010), financial inclusion is the process of ensuring access to financial services, and timely and adequate credit where needed by vulnerable groups, such as low income groups, at an affordable cost. In this manner, Regan and Paxton (2003) also state that financial inclusion is not only about access to financial products but also the quality of engagement with those products and the need for individuals to develop skills and confidence to make informed decisions.

Agency Banking

Morrison and Shapiro (2016) point out that agency banking is convenience banking which benefits both the customer and the bank. In this view, agency banking can only be possible when permission has been granted. Further to this, agency banking is

conducting and offering financial services to clients of a financial institution, mostly a bank, through a third party contracted by the institution to conduct business on its behalf under the normal traditional agency arrangement in which the bank is the principal. However, according to Otieno (2011), agency banking refers to retail or postal outlets, contracted by the financial institution or a bank network operator, that process the clients' transactions. Rather than a brick and mortar branch, the owner of the agency conducts the transactions and allows the clients to deposit, withdraw, transfer funds, pay bills as well as make balance enquiries.

Establishing Financial Inclusion through Agency Banking

Chan and Gupta (2007) perceive usefulness as the extent to which an individual believes that using agency banking will be useful. Kim et al. (2009) argue that individuals usually evaluate the consequences of their behaviour then decide on the usefulness based on the desirability thereof. In the agency banking context, one of the core objectives why people use agency banking is because the system is useful in making transactions and it saves time (Kim et al. 2009). Furthermore, Bhati and De Zoysa (2012) go on to say that the banks see the benefits in the declined number of branches which further minimises the cost per transaction. In support of this, Wang and Sun (2013) perceive usefulness as the most significant factor that has an influence on a person's intention to use agency banking. This then suggests that agency banking has to be seen as a more useful as well as quicker way of doing bank transactions in comparison to the traditional banking system for it to be accepted by users. Luarn, Lin and Chiu (2015) also point out that perceived usefulness is an important factor which determines customer use of agency banking. Customers opt for agency banking as a result of the relative advantages it has to offer (Wang and Sun 2013). On another note, Suoranta (2003) postulates that the lack of awareness of the usefulness of agency banking as well as the realisation of its benefits are the main factors that hinder customers' acceptance of agency banking. The researcher believes that relative advantage has to do with the comparative benefits of agency banking use which could not be accessed from the traditional banking services as pointed out by Pikkarainen et al. (2004). Furthermore, Pikkarainen et al. (2004) explain that consumers are more likely to make use of agency banking when there are more benefits to gain in comparison to using brick and mortar facilities like ATMs and non-mobile internet banking, including cost and time.

Moreover, the research carried out by Bhoomika (2014) found that 75% of the banking organisations represented pointed out that they had made significant improvements in the areas related to financial viability, financial profitability and competitiveness, all as a result of agency banking. However, in line with the views of Littler and Melanthiou (2006), banking server malfunction issues minimise the individual's willingness to make use of banking services and the same notion is apparent in agency banking. In similar research, Luarn, Lin and Chiu (2015) used perceived credibility which is the extent to which an individual believes the use of agency banking has no privacy or

security threats. The theoretical framework accounts for various theories which the researcher has evaluated to find the one that most befits the current research.

Theoretical Framework

Agency Theory

Agency theory explains agreements between the owners of economic resources and the managers who are charged with the use and control of the resources given by the principal (Lambert 2006). In the early 1960s and 1970s, economists explored the sharing of risks among individuals as well as groups. Agency theory widened the risk sharing idea and is mainly about an omnipresent agency relationship in which the principal gives work to the agency that conducts the work. The theory is cemented on the premise that the agents have more information than the principals (Lambert 2006). This asymmetry of information has an effect on the principal's ability to carefully monitor individuals' wealth; hence, the need for the agent. Further, agency theory assumes that the principals and agents work hand in hand (Brigham and Gapenski 1993). With agency theory, the organisation is basically reduced to two contracting characters, that is, the principal and the agent. The principal supplies capital; bears the risks; and constructs incentives, while the agent makes decisions on behalf of the principals as well as bears the risks (Lambert 2006).

Bank-Led Model

The basic version of the bank-led model is a branchless banking mechanism. Thus, licensed financial institutions deliver the financial services they offer through an agent. This means that the bank develops financial products or services and distributes them with the use of an agent who is in charge of customer interaction (Ivatury and Lyman 2006). The bank becomes the ultimate financial services provider and the institution that maintains customers' accounts. The retail agents only have face-to-face interactions with the customers as they conduct cash-in/cash-out functions, more like a teller in the brick and mortar branch would accept deposits as well as process withdrawals (Ivatury and Lyman 2006). The model has recently expanded to include retail agents that handle the account opening procedure and in some instances identify as well as service loans taken by customers. Any outlet that handles cash and is located near customers would potentially work as a retail agent. Whatever the understanding with the bank, every retail agent communicates electronically with the bank it is working with (Ivatury and Lyman 2006).

The equipment that agents usually use is mobile phones as well as electronic points of sale cards (Ivatury and Lyman 2006). The bank-led model presents a distinct alternative to conventional branch-based banking as customers can carry their financial transactions at a wide range of retail banking agents instead of going to the brick and mortar branch (Ivatury and Lyman 2006). The model gives assurances of the potential

to increase financial services outreach through varying delivery channels; providing a different trade partner; having experience; and having a target market that is distinct from the traditional banks. Furthermore, agency banking may be significantly cheaper than bank-based alternatives. With bank-led theory, the customer account relationship lies in the control of the bank (Tomaskova 2010).

Gerrard and Cunningham (2003) suggest that with the bank-led model the agent's physical infrastructure is used to provide the customers' basic banking needs, such as balance enquiries, fund transfers between accounts, and payments for goods and services at merchant outlets. A number of services that agents offer are already being provided by banks and are operated under existing regulations; hence, the bank-led model has no specific regulatory issues. Agency banking has been documented to lower the delivery costs to banks, which entail the costs of building as well as maintaining a delivery channel and access to customer services (Porteous and Rotman 2012). For instance, in Brazil the private as well as state-owned banks deliver financial services with the use of retail agents that include supermarkets, lottery kiosks, post offices, pharmacies as well as schools (Kumar et al. 2016).

Technology Acceptance Model

The technology acceptance model (TAM) was initiated by Fred Davis in 1986 and has gone through a series of validations and modifications. The purpose of the model is to give a description of factors that govern the acceptance of technology, information technology, and behavioural usage as well as to provide a prudent theoretical explanatory model (Fayolle, Basso and Bouchard 2010). The model is an extension of Ajzen and Fishbein's theory of reasoned action (Kumar et al. 2016). Ducey (2013) posits that the variables covered in the TAM are perceived ease of use and perceived usefulness; these are critical success factors of technology acceptance as well as user behaviour. Teo, Ursava and Bahcekapili al. (2011) observe that several factors promote the use and acceptance of technology. The authors expand on the users' individual differences, beliefs, attitudes, social influences, as well as situational influences as determinants, which foster the interaction of the usage of technology as well as the promotion of either the acceptance or rejection of technology. They also postulate that individual behaviour is influenced by the intention either to accept or reject technology usage.

Innovation Diffusion Theory

Rogers' (1995) innovation diffusion theory (IDT) has five innovative characteristics, namely, relative advantage, compatibility, complexity, how triable and observability. The innovative variables look very different from others; however, they have a lot to do with each other in the context of information systems. Moore (1991) shows that perceived usefulness and relative advantage denote the same thing, whilst perceived ease of use captures the complexity of the IDT, in as much as the variables sound

different. Kotler and Armstrong (2010) put forward that adopters often have different perceptions of the characteristics of the IDT in comparison to non-adopters. According to Keller (2003), the characteristics of an innovation have an effect on the adoption rate. Some products are readily accepted while others take some time to be adopted (Keller 2003). Ching and Ellis (2004) postulate that if an innovation is said to be of relative advantage, that is, better than the existing system, thus consistent with the customers' needs as well as with a decent measure of complexity (i.e. being easy to use and understand) it will most likely be favourable to the customers and will be easily adopted. Le (2005) says that the perceived relative advantage, complexity and compatibility of innovations play an essential role in the adoption of agency banking. Chaipoopirutana et al. (2009) and Lin (2011) discuss the IDT with attributes, namely, complexity, compatibility, relative advantage and how triable, and found relative advantage, compatibility as well as perceived ease of use to be significantly related to the attitude to use agency banking. The researchers also suggest that compatibility has a positive relationship with the adoption of agency banking. They further state that customers often have a favourable perception of agency banking services when they positively view the relative advantage of agency banking.

Using the TAM as Theoretical Framework

For the purposes of the current article, the TAM is applied as the theoretical framework, in deriving the link between financial inclusion and agency banking. The TAM is a well-known theory which aims at investigating the factors which influence individuals' technology adoption. Ducey (2013) has described the TAM as a thrifty theory of adaptation to technology in a given context that postulates individual responses towards technology and can result in the intention to use and how to use, consequently having an effect on the actual technology usage. The intention to use technology is determined by three factors, namely: personal which is shown by human attitude; subjective norms that reflect the social influences; and perceived behavioural control.

Modelling Financial Inclusion through Agency Banking

Ease of Use

In Rogers' (1995) empirical investigation, perceived ease of use has a strong significance on the acceptance of agency banking. His findings suggest that customers look for a simpler, easier and faster process and environment to conduct banking transactions. The findings also showed that perceived ease of use is a critical factor in determining the factor that explains the different attitudes of the agency banking adopter and non-adopter.

How Triable

According to Rogers (1995), this is the extent to which the innovative service can be tried on a limited basis. In Rogers' thinking, there is a quicker adoption of innovation

when the innovation is tried before it is fully implemented than when adoption seems to be slower and pre-trial is not possible (Puschel and Mazzon 2010). Tan and Teo (2010) assert that when given the chance to make an evaluation of innovation, customers minimise their concern for the unknown service or product which ultimately leads to acceptance. A repetition of an evaluation as well as assistance in the use of agency banking during the trial period will then minimise the risk of negative perception towards agency banking; this then creates a positive customer attitude to the use of agency banking.

Complexity

Rogers (1995) suggests that complexity is the extent to which an innovation is perceived to be easy to understand and use. Thus, adaption to the innovation will be minimised if the innovation is said to be complex to use (Rogers 1995). Zmund (in Donoso et al. 2013) proposes that complexity has a strong relationship with ease of use, as they both mean the same thing.

Compatibility

According to Chen (2008), compatibility is the extent to which a service is said to be consistent with the users' existing values, habits, beliefs as well as experiences. Rogers (1995) expands on this by stating that compatibility is the extent to which an innovation is said to be consistent with the customers' values, their past experiences as well as the needs of the people who will likely adopt the system. An innovation can therefore be compatible with the customers' socio-cultural values as well as their beliefs, as well as a previously introduced innovation or with their innovation needs.

Methodology

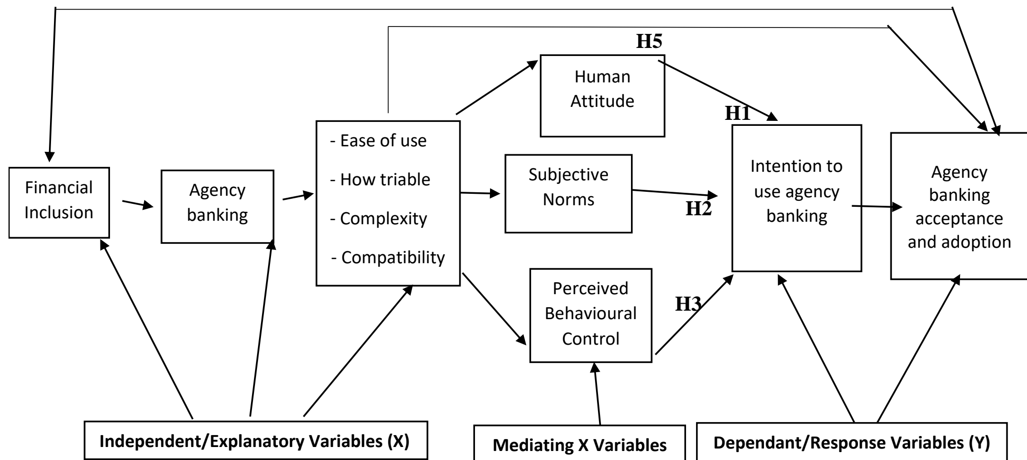
An instrumental case study (cross-sectional) research protocol was employed for the three selected banks. It was supported by an interpretivist paradigm in tandem with a deductive approach and subjectivist ontology, meant to strengthen the research philosophy. The study adopted a systematic literature review in deciphering how financial inclusion can act as a solution to the problem of financial exclusion. In doing so the reviewed journal articles, books, book chapters, reports and conference papers shaped the understanding and application to the phenomena of financial inclusion or exclusion in Zimbabwe. In the main, only literature that was relevant to the study was included. Thus, the researcher pursued purposive sampling. A mixed methods approach was used to collect responses from the respondents in the field. A descriptive research design was applied which is meant to describe a situation, problem, phenomenon, service or programme, and provide information about the living conditions of a community or its attitudes towards an issue, as propounded by Kumar (2011). The population as a representation of every probable item that includes a data value of the random variable under study included 10 agency banking department managers, 70

active agency bankers, and 300 active account holders or customers from the three selected Zimbabwean commercial banks. This summed up to a target population of 380 people. Stratified random sampling was employed to obtain the best representation of the entire population studied. While deciding on the size of the sample, the researcher took diligence to determine the desired precision for an acceptable confidence level for the estimate based on Krejcie and Morgan's (1970) sample size calculation [$s = X^2NP(1 - P) \div d^2 (N - 1) + X^2P (1 - P)$], where the probability of committing a type I error is less than 5% or < 0.05. A structured self-administered questionnaire was also used, with both open-ended and close-ended questions, to allow scaling of the responses and enough time for the respondents to respond. Justification for the use of phenomenological structured interviews was that it enabled the researcher to ask further questions to ascertain truthfulness and clarity. The researcher utilised a case study protocol which showed the procedure for a standardised approach in carrying out more than one case study (for the three selected banks). A pilot study was conducted to determine the logic and fluidity of the instrument. The primary data was analysed and interpreted using SPSS, in line with the themes devised from the research objectives. Structural equation modelling was applied so as to check the causal relationship between variables. This was further meant to foster validity and reliability (increasing accuracy and precision) in a way that the instrument would bear proper content that was supposed to be measured as judged by the researcher, and experts in the field. Cronbach's alpha coefficient, the item-to-total and the composite reliability to measure consistency of measuring items were also matters considered. In this investigation, reliability and validity were ensured by giving similar questions to the external managers as well as experts outside the same bank. The Delphi method was used as a complex group technique to pave the way for understanding the opinions of experts towards the phenomenon under study. External managers and experts from another three commercial banks agreed to participate. To have more reliability and validity, the respondents were given attributes and dimensions from the literature review. They were given three weeks to respond so as to reach a potential consensus on the data collection tool. On generalisability, the research findings can be used to infer to the underlying population since the research data deployed covered three executive managers in major commercial banks in Zimbabwe. The researcher ensured the he upheld the ethical considerations (informed consent, data privacy and protection) by maintaining integrity and professionalism about the morals of academic research in accordance with the Marketing Research Society (UK) (2019) code of conduct.

Research Study Conceptual Model

In reference to the reviewed literature and related theoretical analysis, the following conceptual model has been formulated. Figure 1 shows financial inclusion and agency banking as the independent variables, whereas the mediating variables include human attitude, subjective norms and perceived behavioural control. Lastly, the explanatory variables include intention to use agency banking, acceptance and adoption.

Figure 1: Research study conceptual model



Source: Author's own conception (2018)

From the stated schematic conceptual model, the following propositions were formulated, in line with customers' expectations:

> H1: There is a positive relationship between human attitude and intention to use agency banking.
> H2: There is a positive relationship between subjective norms and intention to use agency banking.
> H3: There is a positive relationship between perceived behavioural control and intention to use agency banking.
> H4: There is a positive relationship between perceived intention to use agency banking and agency banking acceptance and adoption.
> H5: There is a positive relationship between ease of use, how triable, complexity and compatibility of agency banking, and its acceptance and adoption.

In line with the above research model, the following simple equation was used to establish the linkages between variables, although structural equation modelling was applied to build a model for testing the relationships:

$$Y_{1\,\&\,2} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + u_t$$

Where:

Y_1 = Intention to use agency banking

Y_2 = Agency banking acceptance and adoption

X_1 = Human attitude

X_2 = Subjective norms

X_3 = Perceived behavioural control

X_4 = Intention to use agency banking

X_5 = Agency banking qualities

u_t = Unobserved error term

*$Y_{1\ \&\ 2}$ are the dependent/response variables

* From X_1 to X_5 represent the independent/explanatory variables

Zimbabwean Agency Banking Trajectory towards Financial Inclusion

The author believes that the beginning of agency banking in Zimbabwe dates back to 2013, with Steward Bank. The innovative bank was migrating from TN Bank to Steward Bank after agency conflicts arose. After the lessons learnt from TN Bank, Steward Bank wanted to operate on a low cost strategy whilst tapping the vertical segment of the populace. Moreover, agency banking was seen as the best strategy to execute, considering the nation was aiming to ensure that 70% of the under-banked population was included in the financial sector.

Chidoko et al. (2011 cited in Chokuda-Santu, Mawanza and Muredzi 2017), note that Zimbabwe's fast growing informal sector is now the country's largest employer as the economy is failing to absorb many job seekers into formal employment. The banking sector has 21 operating banks, including the People's Own Savings Bank (POSB) and 146 microfinance institutions (Chitokwindo, Mago and Hofisi 2014; RBZ 2014). Contributions to total bank assets are 82.69% by commercial banks, 1.35% by savings banks, 13.65% by building societies, and 2.31% by merchant banks (RBZ 2014). The author contends that the country adopted a multicurrency system in February 2009 and since then, banks have been operating with price structures that the Reserve Bank of Zimbabwe (RBZ) views as unaffordable to the poor. Most banks are represented in urban centres whilst only the POSB, Agribank and CBZ Bank have a strong rural presence despite the call since 2006 by the RBZ for banks to open branches in rural areas (RBZ 2014).

Furthermore, the same is true for the financial inclusion initiatives that the RBZ has been pursuing through timely provision of targeted empowerment facilities to interest groups such as women, SMEs, the youth and the disabled. These facilities have had a significant impact in supporting broad-based and inclusive growth for both local consumption and export generation. As part of the National Financial Inclusion Strategy, the Women's Microfinance Bank and Empower Bank are now operational (RBZ 2018). The RBZ came up with a framework for financial inclusion in 2007 which was premised on the following pillars:

- expanding the outreach of established developmental financial institutions such as POSB, ZIMPOST and Agribank;
- expanding the outreach of established commercial banks and building societies;
- enhancing provision of microfinance services through the establishment of microfinance banks or financial inclusion centres;
- urging relevant authorities to ensure provision of adequate infrastructure including roads, telecommunication coverage and provision of electricity;
- providing appropriate incentives to financial institutions engaged in rural banking; and
- engaging other stakeholders to facilitate the provision of other incentives.

Source: Chitokwindo, Mago and Hofisi (2014); RBZ (2006, 56)

The TN Bank cut down from 32 branches to seven Steward Bank branches in Harare after being absorbed by Econet Wireless. The ever dynamic bank wanted to shift focus from the brick and mortar branch to agency banking. With such a strategy the bank required agencies that would help it fill up the nation with Steward Bank account holders, thus mass banking. The prospective agents had to be Ecocash agents as well as people that had businesses which were giving them cash on a daily basis. The bank tried to mitigate the risk of giving agents cash, be making Ecocash agents and the existence of a thriving business a prerequisite. Moreover, Steward Bank also engaged corporates like its sister company Econet and has agents in each Econet outlet. Zimpost is another corporation that received fund advancement as well as branding material which was distributed to 227 outlets nationwide. The innovative bank made so much noise about agency banking to the point where everyone wanted to become an agent. Numerous people opened accounts and others became banking agents.

To this day, Steward Bank boasts more than 3 000 agency bank outlets, though the banking institution had a target of 5 000 agents. When making use of an agency bank, retail customers are able to open an account, transact, deposit and withdraw their funds. The agency bank is not a brick and mortar branch but just a tablet where all the details

are entered and immediately updated in the banking system, through the Steward Bank network. This system enhances customer-based brand equity as when the customer has a high level of awareness and familiarity with the brand, the customer will retain a strong, favourable and unique association with the bank brand (Nyagadza, Chodeva and Vingirayi 2018). Steward Bank continuously improves its product, updates its system as well as well as trains its agents to ensure that they deliver quality services to the customer thereby enhancing financial inclusion. Due to the flexibility of agency banking numerous accounts have been opened in various areas.

The author believes that although Zimbabwe has made significant strides in promoting a financially inclusive system, gaps still exist in as far as meeting the demands of the population vis-à-vis the products and services on offer: "In particular, products and services to the MSMEs, women, youth, rural population and the small scale agricultural sector" (RBZ 2016, 25). According to the Census 2012 National Report (ZimStat 2014), the country had a total population of 13.06 million, of which 6.28 million (48%) were males, whilst 6.78 million (52%) were females (RBZ 2016, 25). Further, "Of the total population, 4.28 million, representing 33% of the total population resided in urban areas while 8.77 million, representing 67% of the total population resided in rural areas" (RBZ 2016, 25).

The distribution of the population in terms of the Census 2012 National Report is shown in Table 1.

Table 1: Population distribution in terms of the Census 2012 National Report

Age group	**Number**	**Percentage of total population**
Under 15 years	5,355,108	41%
15–64 (economically active)	7,183,681	55%
65+ years	522,450	4%

Source: RBZ (2016, 30); ZimStat (2014)

In terms of age composition, the Census 2012 National Report (ZimStat 2014) showed that 7.18 million, representing 55% of the total population comprised economically active individuals between the ages of 15–64 years (RBZ 2016, 25). The FinScope Survey (Finmark Trust 2014) indicated that there were 7 million adults (i.e. 18 years old and above) in Zimbabwe as at 2014. "The survey also estimates that 67% of the adult population resides in rural areas whilst 33% resides in urban areas" (RBZ 2016, 26). The FinScope Survey (Finmark Trust 2014) further estimated that as at 2014, 23% of Zimbabwe's adult population was financially excluded. It is worth noting that the level of financial inclusion was skewed in favour of the urban population (89%) as opposed

to the rural population (62%), despite 67% of Zimbabwe's population residing in rural areas (RBZ 2016, 26).

The level of financial inclusion amongst the MSME sector was considerably low as indicated in the FinScope MSMEs Survey Zimbabwe 2012 which revealed the following key statistics:

> a) Only 14% of MSME owners are banked, i.e. use formal financial products and services offered by a commercial bank;
> b) The majority of business owners do not use/have a bank account for business purposes;
> c) 50% of business owners (1.4 million) have/use informal mechanisms to manage their business finances; and
> d) 18% of business owners (475 000) are formally served, including both bank and other formal non-bank products/services. (RBZ 2016, 26)

The major barriers to financial inclusion across the financial sector in Zimbabwe can be grouped into three categories, namely, demand side, supply side and regulatory barriers.

Table 2: Major barriers to financial inclusion across the financial sector in Zimbabwe

Demand side	Supply side	Regulatory barriers
Irregular income streams	Absence of robust credit information systems	Absence of coordinated national policy and strategy on financial inclusion
Low income levels	Poor infrastructure in rural areas leading to financial institutions' reluctance to establish branches	Weak consumer protection regulatory framework
Failure to meet minimum account opening requirements	Lack of skill to understands the dynamics of projects of those at the bottom of the pyramid	Capacity and resource constraints
Inadequate information on financial services and products		
Lack of confidence in financial system		
Financial illiteracy		
Inflexible implementation of AML measures		

Source: RBZ (2016)

Statistics from the FinScope Survey (Finmark Trust 2014) indicated that there was more reliance on informal savings channels by Zimbabwe's adult population as opposed to formal savings since only 20% of the adult population made use of formal savings channels in 2014, whilst 23% made use of informal channels.

Out of the adult population who did not save, 74% indicated lack of disposable income after accounting for living expenses as the main reason for their failure to save, whilst 21% indicated that they had no money to save (RBZ 2016, 28).

The FinScope Survey (Finmark Trust 2014) revealed a low uptake in formal investment services by Zimbabwe's adult population, with limited disposable incomes and lack of education and/or awareness being cited as the main reasons for the low uptake. According to the FinScope Surveys (Finmark Trust 2011; 2014), there was a 12% increase in the number of adults with pensions from 623 000 in 2011 to 774 000 in 2014 (RBZ 2016, 28). According to the FinScope Survey (Finmark Trust 2014), the majority (58%) of adult Zimbabweans did not borrow. Out of those who did not borrow, 48%

cited the fear of debts as their reason for failing to borrow, whilst 45% indicated that they did not have the ability to borrow (RBZ 2016, 28).

Discussion

In terms of volume, more than 99% of payments are being made through electronic and mobile agency banking platforms with mobile banking constituting 84% (RBZ 2018). The author believes that this has significantly contributed to the increase in financial inclusion through mobile banking which now stands at more than 80%. In terms of regional comparison, it is pleasing to note that Zimbabwe is now amongst the leading countries in the use mobile banking products (RBZ 2018). The findings are the same as those found by Bhoomika (2014) in which 75% of the banking organisations represented in the study pointed out that they had made significant improvements in the areas related to financial viability, financial profitability and competitiveness, all as a result of agency banking. The study revealed that agency banking had improved financial inclusion and the financial performance of the banks. The findings also concur with those of Hameedu (2014) on the effect of agency banking on financial inclusion, namely, that 65% of the population of the study had managed to be included in the financial sectors as a result of agency banking affordability and convenience.

The findings of Brown (2008), who conducted research in Hangzhou, China, on the usefulness of agency banking on financial inclusion of the informal manufacturers in that region, showed that 57% of the population pointed out that agency banking had ensured that they were financially included in the banking sector, as they could now access financial services like credit and loans. However, the findings differed from what Nyarungu (2014) found in Kenya in which 77% of the study population disagreed that agency banking was a useful financial inclusion tool. They pointed out that there was not much convenience that had been brought by agency banking as they still did not have access to loans or any financial advice. According to the FinScope Survey (Finmark Trust 2014 quoted by Chokuda-Santu, Mawanza and Muredzi (2017), the survey on financial inclusion estimated that the informal sector had as much as $7.4 billion circulating outside the formal financial system. According to the researcher, this presents both an opportunity and a challenge for banks, especially considering that the same survey highlighted the extent of financial exclusion in the economy.

However, the findings differed from what was found by 48% of the respondents in Njaya's (2014) study who indicated that agency banking was not useful as the system was faulty and transactions often took time to be processed. The respondents then had a negative perception of agency banking and thought it was just the banks' way of trying to milk money out of people. The respondents also pointed out that the charges were exorbitant so it was not in any way saving them money. A financial literacy hub can be put in place, in which the citizens get free financial knowledge from experts. There is a significant 54% of the adult population who are economically active but are unbanked

or under-served by the formal financial system (Chokuda-Santu, Mawanza and Muredzi 2017). With this in mind, the suggested model can serve as a guideline to commercial bank managers and management executives in understanding depositors' needs, and building strong agency banking in competitive markets. Banks need to position their agency banking in the minds of depositors, so as increase the room for higher acceptance.

To achieve the desired goals of their financial inclusion strategy through agency banking, commercial banks have to break the clutter by evolving innovative ways to attract the attention of the target audience. Customers should be educated on the importance of agency banking as they can only be receptive to agency banking if they are aware of its usefulness. The managers or authorities responsible for agency banking need to make enough monitoring and tracking of the desired performance of the agency banking initiatives. However, Chipp and Corder (2012) argue that agency banking is a strategy that financial institutions and agents are using to make more money from the charges. The research can be improved further by conducting interviews with the customers as well as the agents. Agency banking as a financial inclusion mode enables companies to leverage commercial banks to develop new banking products, and chart new growth paths, in specific markets.

Practical Implications

Using the concept of global apartheid that denotes a scenario where the world is controlled by a few marked by prosperity for the few and poverty for the many, there are many practical implications to decipher. In Zimbabwe just like elsewhere in Africa there are certain groups that are financially excluded, such as rural folk, women, youths and the informal business sector, and are suffering as a result. Given the numbers of those financially excluded, financial exclusion in many cases is "global Zimbabwean apartheid". Agency banking as demonstrated above, becomes an instrument to decimate the inherent financial inequality that exist between men and women, rural and urban spaces, formal and informal business and the old and young.

Once the formally marginalised groups are financially included, opportunities abound that offer the marginalised groups a chance to escape poverty which in many cases has been created by large corporates from the north and neoliberal policies imposed on the less privileged (Bond 2004). The financial crisis in the developed countries did not initially affect developing and transition economies as the crisis did not originate within their financial systems according to Abreu et al. (2009). It was even hoped that the real economy in the developing countries would escape unscathed and even that growth in developing countries would help to buoy the world economy, as it did in the recession at the beginning of this century (Abreu et al. 2009). "The neo-liberal approach to state policy, especially during the 1980s and 1990s era of intensifying globalisation, continued to exacerbate the contradictions of capitalism, especially historically

unprecedented inequality between countries" (Bond 2004, 05). The sovereign right of less privileged societies to self-determination has been eroded because of the phenomena of global apartheid. Similarly, financial inclusion is a rights issue, time has come to ensure that neglected segments of society enjoy the benefits of financial inclusion. Agency banking seems to be the right paraphernalia to achieve that.

Conclusion

The article has discussed financial inclusion through agency banking based on a literature review and using three commercial banks in Zimbabwe as the case study. The level of consistency along financial inclusion through agency banking, targeted towards the customers or depositors, is critical to the success of agency banking by any banking or financial institution. In relation to the customers' attitudes towards agency banking and its effect on financial inclusion, it can be seen that the customers do not trust agency banking which has a negative effect on financial inclusion. The customers usually complain of fraud related issues, system problems and lack of honesty. Banks need to ensure that their agency banking model is strong even in turbulent times and offers value for money, congruent to their corporate missions and values.

The researcher contends that the customers' lack of trust is a result of the financial industry issues over the past decade which have had a negative effect on the financial inclusion of the populace. Customers should be educated on the importance of agency banking – by means of pamphlets, road shows and radio broadcasts – as they can only be receptive to agency banking if they are aware of its usefulness. Training will help the customers know what the system is about; minimise their perceived ease of use risk; and maximise their adoption of agency banking. The independent variables, mediating variables (which include human attitude, subjective norms and perceived behavioural control) and lastly, explanatory variables (which include intention to use agency banking, acceptance and adoption), need to be enhanced to build a convincing agency banking for profit-oriented institutions such as banks.

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