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Moderating effect of BSN banking agent towards the financial inclusion performance of BSN: A conceptual overview

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ABSTRACT

This paper conceptualizes the moderating effect of BSN Banking Agent towards the Financial Inclusion Performance of BSN. Based upon the Agent theory, it highlights on the four related variables namely: agent characteristics, liquidity, security and Product Services and the relation amongst the variables in focus that contributes to promising business performance. Hence, an ability to conceptualize, observe and give due recognition to the possible relation amongst these variables in question by the prospective employees of BSN in Malaysia in three departments which are: Banking beyond Branches, Operation and Compliance as they are allies directly with the agents. With recruiting the agents could bring an insightful engagement for the betterment of the financial inclusions business performance of BSN.

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1. Introduction

BSN new mission was to reassure a lot of profit by, insolent structure and investments between the voters of Malaysian to reach their eminence smart of living to extend their fame. BSN has conjointly become the first bank in Malaysia that extend their services using the agents that serves the underserve client [1]. Coordinate with the stigmatization vision “No One Malaysian Left Behind”, the ingenuity pointed at assembly principal as outlined in the financial institution of Central Bank of Malaysia (Bank Negara’s Strategy Division Strategy 2011-2020). BSN had launched the Banking Beyond Branches (3B) service as the BSN Banking Agent being selected on doing the

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services on behalf of BSN. Through BSN Banking Agents, over 95% of the 837 districts throughout the country have gained access to the bank [2].

However, in Malaysia, the acceptance of agent banking has not been well acknowledged as BSN the first financial services implemented on using agent banking bank as part of the mandated role to give to a community. According to Barasa *et al.* [3] the acceptance of agent banking has not been well acknowledging by the intended beneficiaries who are the micro and small enterprise located in rural areas. In the extent that it has been remarked, there is a rise in expansion of BSN Banking Agent as the services customers not entirely utilized the present agents at their areas. BSN had launched BSN Banking Agent since 2012 but the number of transaction not reach the target by years.

The pattern transaction had completed with the aid of the BSN Banking Agent particularly simplest on offerings rather than bank product. Moreover, it seems very alarming to BSN to take into consideration when agent banking community could not fulfil the requirement as in line with agreement. With realize thereto, BSN Banking Agent will be terminating or be notified, if the target failed to fulfil and contribute to uncertainty in terms of being agent either to remain or quit as the agent of BSN. The necessary and determined plans are on being the contribution to the performance and profit of BSN and bring the value investigation to the role of BSN Banking Agent. BSN Banking Agent are from Small, Medium and Enterprises (SME) business as doing the services on behalf of the banking services [4]. Previous studies by EFINA [5] evaluating on agent banking, observed inconsistent results on whether in achieving by persecution retail points as agent banking ought to encouraging entrepreneurs to use the service additional.

BSN Banking Agent can play an imperative part in addressing the issue of contribution to performance. Nevertheless, BSN Banking Agent can be adversely affected under certain conditions. Surveys such as that conducted by Ndungu *et al.* [6] have shown that characteristics of BSN Banking Agent is assessed persecution with parameters specifically quantity of float, agent character, business skill operating expertise of a representative in agency business and the core business can be affected by the performance. Agent characteristic was playing the vital role in promoting merchandise bank product. According to Ombutora and Mugambi [7] with good character, the BSN Banking Agent can attract more customers. About that, the connected issue related the failure of BSN Banking Agent preferable does the service than the merchandise bank product. Therefore, this study investigates the effectiveness of BSN Banking Agent as an agent that are crucial for better functioning.

The other related issue is due to limitation on liquidity and lack capability on handling significant human action of cash. Most of the banks that have embraced agency banking have accomplished that agents do not have the flexibility to wear down large money transactions which they are not investment on security ways ensuing to poor shopper acceptance of agency banking [8]. Moreover, liquidity happening resulted in disappointment and is among the reasons why the acceptance of these structures deflects than expected. Other challenges facing by the BSN Banking Agent of BSN such as loss of confidentiality of shopper information and additionally the situation of the agents in high risk areas poses security threat. In this study conducted by County *et al.* [9] it was pointed that the infrastructure value and security influence the performance of economic banks obligations to agency banking network to an agreeable extent. The research recommends that agency banking network must be compelled to tend lots of attention on security measures furthermore as risk-based approach that BSN must be bound to notice higher ways in which during of screening their agents. For the BSN Banking Agent, it additionally to substantiate with large of cash in conducting the transactions efficiently of part of BSN services, the agents need the have on time transactions. In order to manage that BSN need to have the secure operations systems to manage to secure the

transaction done by the customer. BSN also need to have the audit security path to protect customer information and their integrity.

Most of the commercial banks are located in geographical area and this implies that the rural areas face the challenge of accessing the services offered through typical mortar and brick banking. A major analysis and discussion on the topic was given by World Bank [10]. Therefore, product services serves from BSN Banking Agent plays a key role within the growth of the BSN performance through financial inclusion performance. The expansion of the banking sector includes a very close nexus with non- financial performance. It is declared that financial inclusion performance describe abroad access to financial services. Yet, there exists a conflict once it is typically viewed from either customers' or financial inclusion performance views. From the figure performance of BSN Banking Agent for the year 2015, will relate BSN Banking Agent cannot fulfil and do all the product services as their condition being on the behalf of the service provider for BSN. The services given by the BSN Banking Agent offer include cash deposits, cash withdrawals, payment of bills, transfers among others. Even it still not clear whether or not the adoption has successfully extending BSN market share and performance. This analysis so geared toward assessing the result of BSN Banking Agent on BSN performance. Despite the effectiveness of the BSN Banking Agent as moderator gaining match and enhancing BSN performance, here has been restricted analysis conducted regional specifically on the result of BSN Banking Agent performance.

According to Lyman *et al.* [11] using agents that recruited from the retail agents using agency theory which is: bank led by banks and nonbank led theory. Bank-led theory is where the bank is the ultimate provider of financial services and is the institution in which customers maintain accounts. Agents are the person who will interact with the customer face to face to do the transaction as part of the bank service. For the Nonbank-led Theory, customer do not deal with a bank or having necessary of the account book. This theory involved the system and technologies with information and communication by cell phones, prepaid card and using card readers for any transaction from the agents for the bank services.

In this study, investigation will endow with a conceptual focus on effectiveness of BSN Agent Banking as the moderator towards the financial inclusion performance of BSN. Given the above new development, this paper aims to unveil some possible state of affairs that could lead to this rejuvenation of the financial inclusion by BSN Banking Agent recruited, with specific focus on the variables effect of the agents recruited by BSN. Hence, this paper will address the above mentioned subjects matter from the preceding paragraph, namely moderating effect of BSN Banking Agent towards the financial inclusion performance of BSN. The rest of the paper addresses on the background of the financial inclusion performance of BSN, the agent characteristic, follows by liquidity involve, security, product services , and BSN Banking Agent as moderator and finally on the subject matter of discussion.

2. Literature Review

2.1 Financial Inclusion Performance of BSN

Banking Beyond Branches (3B's) of BSN is the pioneer for the Agent Banking in Malaysia. Mandated by Prime Minister in his budget speech in October 2012, the needs of recruiting agent are targets around 5,000 agents [13] thru the agents, financial inclusion contributes to the performance of BSN by delivery the services at the lower price to under privilege and lower income segmentation of the customer. The impact of financial inclusion begins from the dilemma of financial exclusion of billions of people across the world from formal financial services [12]. The operational definitions of financial inclusion originated from the underlying policies that many

people mainly those who have low income and cannot access to the conventional financial products such as bank accounts, low costs loans etc. BSN connect with their customer even in underprivileged bringing the benefit for both and in addition it increases the performance of financial inclusion of BSN and to the economy of Malaysia.

The aimed is those underprivileged or under-served communities, rural area, far from the traditional bank and low population. It was originally designed to reach people and bring good for their live being and broadened the customer base also bring the good impact on the SMEs environment of profitable and to the economics of Malaysia. Stated by Malaysia [14] believed this new brand promise is a critical success factor for BSN given its customer orientation. This new branding will lead BSN confidently to higher expectations and greater service to the nation. Hence, with the new branding, will lead BSN confidently to higher expectations and greater service to the nation. Researcher [15] indicated that four key recommendations on the financial inclusion that is a) Innovative & cost efficient channels to reach community b) Expand range of products that meet citizens financial needs, c) Strengthen the financial services infrastructure to effectively provide services to all citizens, and d) Enhance the knowledge and capacity of the underserved to utilize financial services responsibly.

The agent is called as BSN Agent Banking where by an innovation using simple technology & process for customers' convenience. The banking transaction is performed via wireless GPRS using Point-of-Sale (POS) terminals that BSN supply to their agents. It is required BSN existing customers to identify their own Personal Identify Number (PIN) by devices called biometrics when doing the transactions. After the transaction fulfil, customer will be given the receipt as the prove of the transaction done. Report from Kotler [16] stated that agent bank profiling more than 70% agents are in sub urban & rural areas peninsular. With category of business involved is grocery shop (57%), phone shop (16%) and others (27%). With the segmentation of the geographical area, agent profiling by Sub- Urban/Rural (78%) and urban (22%). Nevertheless they is still a key challenges that being barrier in implementing the agents model such as public acceptance, ground "support handling", both communication between the provider and agents recruited and finally the challenging in close monitoring on operations. The following section provides the highlight the measurement that contribute to the performance of the financial inclusion of BSN which is customer base and transaction volume.

2.2 Customer Base

As mentioned by Meleancă [17] that information and data of the customer is the most important to be taken care as it reflect to the integrity and the trust of the customers plus on the marketing view too. Under business logical, any performing by the customer or the base segmentation is very concisely. Therefore, collecting customer data is very pivotal in business line. Different with those businesses dealing with large customers, the profiles, information of the customers is great volume. Therefore, the end of collecting and dealing with customer data need to be in proper with strategies of marketing segmentation and need the adapting of marketing activities towards the customer characteristic to get the efficient and to upsurge the activities achievement. The determination and patterns need to be standard based on the objective of the business. Very important in the business lines to identify the segmentation of the customer base as the first phase in performing on classify of the customer by one or more characteristics. This method also can be used with the aid of the computer software.

As indicated by Pickens *et al.* [18] that to perform a customer base segment for the commercial transact can be done by the third party of the research marketing also by the obtaining from the

customized research. The advantage of the customer segmentation is the analysis of simplifies on the customer data. This will be grouping into data sets that relate to homogeneous. In addition, with the grouping of data sets can facilitate the pattern on recognition and can help of building the hidden relationships. To group the data, it is very important in building the model that can easily foresee the future purchase of the customers. It is also can reflected the basic characteristics of different customers. Besides with the group of the customer segmentation, it can easily be predicting the characteristics of the customer with more accuracy base on the past behaviour of the customers. Furthermore, under marketing concept it brings easier to derive the data with various criteria of characteristics that base on the segmentation and grouping. Several criteria of the customers can be grouping under the geographical area, customer nationality and can be categories by demographic like customer sex and age. For psychographic, characteristic like behaviour, attitude of the customer even on the loyalty of the brand and preferences of the product. Under economic characteristic also can be calculate as it is defined the values or ranges to the business transaction over the time of period, value of the contractual and value of the profitability.

Since the segmentation of the market and customer base already proven as one of the successful methods, most well-known and big company till small enterprise are aimed of optimizing the result by continually using the mathematical approach. Specialized computer software are needed in classifications and grouping for the large data sets. Normally, for the big company in using the source from their Human Resource and personnel are easier in terms of allocating the customer data whereas vice versa it is a problem for the small enterprise to attain the objective to obtain in controlling the customer base segmentation. This is due to the limitation and dilemma in time and money that must be covered not only for the business environment but for all activates such as to promote and to support the sales teams.

2.3 Transaction Volumes

As CGAP and DFID note [19] stated that the using agents is very important for the business. Therefore, as an agent they need to have enough cash to transact any transactions. In return, the will get the commission as to keep the cash float for the transaction done mobile money transfer. According to [20] by emerging of the technologies, increasing in investment to the distribution channel where predicted in 2020 that the volume of transaction in many countries using distribution channel will increase. Towards to this direction, there are studies that number there will be reducing in physical branches in developing countries. Even by the transaction volume does not derive the manner on incentive mechanism [21]. Wekesa and Wainanina [22] mentioned more staff need to be hire as the transaction volumes are getting higher whereby they need to assist and handling the agent's business. This cost is called the "cost floor" that agent need to know the transaction volume and to make the agents business more attractable to the customers. To fulfil the requirement, BSN Banking Agents need to plan carefully whenever the decision to expanse their business just to increase the transaction volume cos it will involve the requirement of hire more staff.

Therefore, for the BSN Banking Agents to reach their target, BSN can play their role as guiding and assist them especially for those agents with the first experience in dealing as the agent business. Even though, Banking Beyond Branches Department for all the states as when the agents exact time to expanse their business. Furthermore, BSN also need to assist the agents on how to plan, organized as being the agent business. However, source from Section Training and Structures Agent Department of Retailing and Business Community BSN stated that there is down-ward in

term of customer / agent by the transaction ratio for the year 2015. Also, they are reported to the Banking beyond Branches section that there are several agents reported to exit from being an agent as their revenue are getting declining.

Hence, BSN need to consider as the provider to the agents to ensure the parallels of the agents with the customer growth as maintains as base on customer as per agent. Unfortunately, it is difficult to predict as the pattern of the transactions is change over per transaction and time. This relate to the services and transaction done by the customer for the cash-in and cash-out eventually single or just a few transactions. By the transactions, the agents can rely and occur the number of transaction by daily to see the revenue and the growth of customer volume. Over the time, customer can easily pull off the transaction from the agents as customer cannot be predict. For financial inclusion success, the transaction volume been very much crucial and important. With the growth of the BSN customers that contributes to the volumes of transaction as the key to the supply chain in the business. Therefore, BSN as the providers should consider changing the balance of registration/transaction commission over time. At the beginning, agents should receive generous commissions for signing up new customers since this is their primary source of revenue. Over time, these commissions can decrease as transaction volumes increase, and agents should be focused on encouraging customers to make transactions.

Having stated so, the subsequent sections provide specific highlight on the four related variables of moderating effect of financial inclusion performance which is agent characteristic, liquidity, security and product services. All these variables are anticipated having bearing on financial inclusion performance. The innovation recruiting BSN Banking in relation with financial inclusion performance is discussed then.

3. Discussion

3.1 Agent characteristic and Financial Inclusion Performance

According to Schreckenber *et al.* [23] show that characteristics of an entrepreneur which include demographic factors, the background of the individual, the entrepreneur personal traits, the orientation of the entrepreneur as they are playing important for the performance under the small and medium enterprises (SMEs). This article, this variable also encompasses the degree of involvement and influence BSN Agent Banking in BSN financial inclusion performance. It is also measures how closely BSN Banking Agent works with BSN to seal a deal and contribute the financial inclusion performance. Agreed by Aguirre *et al.* [24] these factors which form the character and behaviour of the entrepreneur are crucial internal capacities that impact on firm performance. The dimension of the agent characteristic were divided by:

- a) Agent attitude
- b) Agent experience
- c) Agent core business.

3.2 Liquidity and Financial Inclusion Performance

Retail agents that relate to the small business with not classy business set up and in the remote area may not meet the customer requirement especially in dealing with withdrawal transaction as they do not have much cash in the drawer and they may lack in experience in using the system. Even they may be facing the more complex experience in term of the liquidity management. This will relate to the image of the banks if they are being underperform or robbed. The bank provider

may suffer the reputational risk and also the operational risk such as loss of customer records or the personnel information of the customers and the leakage of customer data.

According to Eijkman [25] to manage the agent liquidity and to mitigate those under the fraud risk are new to the bank as bank have very limited experience with the agents. Under the financial and human resource department, hiring, selecting, equipped and train the agents is considered costly investment. Agents will face the situation whereby with too many cash-out transactions it will make the agent's out of cash in hand and vice versa, that agent needs to rebalance their cash drawer [26]. To be sure, the agent has the balance liquidity, they need to have at least the 60% of the rebalance per day for their daily liquidity management and manage their liquidity and they need to quickly rebalance the accounts.

Liquidity or cash in hand is very much crucial especially the clearness and disclosure as an agent. For the customer, knowing the respective and responsible of the agents are very much important for the bank provider and agent too. Mentioned by Lal [27], the customer should responsible and aware as the transaction sometime may be done and available due to connection problem. For example, bank may have the system failure. When this happen, banks need to certify their agents to disclose any information in good language like customer-friendly by set up the sign near the Point of Sales (POS) terminal. Furthermore, as for the agent, they need time to time to go to bank or through the Cash Deposit ATM to rebalance their cash as the agents will excess the liquidity to BSN customer. Therefore, the location to recruited and hirer an agent very important as easy for them to ensure the liquidity and managed within the agent network [28]. Generally, this study tends to emphasize the positive effect of agents liquidity towards contribution on the financial inclusion performance.

3.3 Security and Financial Inclusion Performance

According to Bold [29], using agent through Branchless Banking is growing faster and becomes vital factor in contemporary technologies. Because of that, the security of the bank, agents and customers is very much concerned as it is related with the customer money. According to [29] there is still a gap to be filled in term of bank secured while using branchless transaction via agent retails. Security for the financial services towards the transaction is dominant and must as these steps is relying on the branchless banking systems. Normally and upmost for the branchless banking system, the security only for the network layer and not on the implementation of the rules of branchless banking. This conceptual paper has 4 types of security that related to agents which is:

- a) Risk Assessment
- b) Control Activities
- c) Information and Communication
- d) Monitoring Activities

3.4 Product Services and Financial Inclusion Performance

Innovation and creation is the key to execute enticing financial products. Financial products have to be compelled to be tailored to fulfil the wants of the poor. Products should be cheap and affordable, available within sensible physical proximity and regulated to care for consumers, differentiation, segmentation, and design structures strategy. These are imperative to have a better financial product. BSN banking agent offered product services that is:

3.4.1 Bill payment

BSN have deployed more extensive agent networks tend to be focused and more demand from customer for the bill payment facilities.

Payments of utilities, like electricity and phone bills, using banking transactions. AS for the bill payment, it is considered the overwhelming majority for the transaction, whereby the domestic remittances taken of 60 percent [30].

3.4.2 Cash deposit / cash withdrawal

A cash-in (cash-out) is associate electronic transfer of cash from the store or shop (customer) to the customer (store), for a corresponding transfer of physical cash in the inverse direction. It is an exchange of two forms of monetary value between the store and the customer. The bank enters the deal as the trusted supplier of the technology platform that underpins the electronic side of the transaction: the bank guarantees that the store (customer) is the rightful owner of the necessary amount of e-money, and records the transfer of ownership of the e-money to the customer (store). In other words, the bank is an enabler of the cash in/out transaction, but not a party to it. The store only handles its own stock of cash and electronic money balances, and never the financial institution's or any of their customers' [31].

3.4.3 E-saving certificate Premium (SSP)

Saving Certificate Premium (SSP) is the unique saving product for BSN since the year of 1978. Under Shariah-compliant with offering the opportunities for the customers to win the prize with only deposited of minimum RM 10. Customer are being offered in each week and month for the prize plus the benefit of the dividend. All the saving is guaranteed by the government and the prizes are exempted from the income tax. Customer will be given a certificate with the numbers printed on it. Customer are eligible for the prize as long the certificate is not being redeemed. Individual aged of 21 years and above are eligible to buy. With the agents, customer can buy through the E-Saving Certificate Premium (SSP). Report from the Branch Conference in 2015 showed BSN SSP offers several prizes exceeds 88,000 prize with a value of over 260x RM18juta the year draws winners each month average was more than 7,000 people. Conditions to store SSP Open to Malaysian citizens, permanent residents and foreign nationals who have a permanent address in Malaysia aged 12 years and above minimum deposit of RM10 (1 unit). No maximum limit. Can be buy trough agents by E-SSP [32]. This certificate is a saving certificate that encourages a prudent habit and saving money for the future.

3.4.4 Cashless payment

According to Flood *et al.* [33] a cashless transaction referring to an economic scenery whereby customer buy the goods and services in the agent's shops and they can have transacted without pay by cash, just either through electronic transfer or cheque payment [34]. These days, the use of electronic payment has continuous to growth due to its convenience, security and immediate mode of payment.

3.4.5 Prepaid top-up

Where by customers can go to any BSN banking agent to top-up their credit by using the POS system. According to Mauricio and Mandrile [35] prepaid top-up is use of the “Mobile Payments” that relate to the diversity of the financial transactions that used of the mobile devices. This system whereby from a remittance to be send to individual party only using the mobile network operator that made at the agent outlet utilizing a contactless chip in the phone.

3.4.6 Account opening

Such inadequate access might possibly have significant consequences on people’s lives. Lacking in formal bank account for the customer, it will bring more difficulty for the customer to have their saving in the bank account. More strain to them if unexpected things happen and they don’t have saving in the bank account such as the household illness [36]. Therefore, BSN taking their first step mandate from the government, giving the services is one of the way to be near and access for the remote area people to enjoy the bank services. Customer may assist and open their account through BSN banking agent.

4. Theoretical Framework

This paper seeks to review the interplay between the performance of financial inclusion of BSN and agency banking. The theories of the interrelated ideas resulting the supportive by data or by evidence [37]. The theories related in this article is:

4.1 Agency Theory

Agency Theory propounds the secure comprises of a contract among the principal, who are the owners of economic capitals, and for the manager who is the controlling and charge of the agent resources. Agency banking is a great innovation that transfers operational cost to a third party thereby increasing the convenience of the customers and cutting down costs for bank.

4.2 Bank-led Theory

This theory is relevant to this paper focusing about in what way financial institutions delivering the financial services over agency banking. With Bank-led Theory, it is used of a different delivery channel like retailers, using mobile phones, by Telco or the chain stores that have the experience from traditional banks and cheaper alternatively than the bank-based. This model is implemented as using the correspondent namely agent’s activities. This model, customer deal with bank services through agents. This model is very vital for the study as it allows branchless banking and financial institution (provider) to deliver the bank services through retail agent.

4.3. Nonbank-Led Theory

According to Mugenda and Mugenda [38] under non- bank-led theory, customer will be serve by using the mobile network operator, or even the prepaid card issuer. Customer did not deal with a bank or even to have the bank account book. Agreed by Davidson [39] as customer exchange the transaction by e-money that stored through virtual e-money account that linked to the individual

bank account on the non-bank server. The disadvantage is that is can openly to the Anti-Money Laundering and Counter-Terrorism Financing (AML / CFT) risks. As for the nonbanks operates did not care and aware of the customer identification safety. Implementation of the Know Your Customer (KYC) in this concept is very challenging. Moreover, this transaction is not much regulated in terms of the documentation or for the record purpose as it is precondition. According to Lyman *et al.* [40], lack experience for the regulators is realm and this model becomes practicable after the regulators have increased sufficient experience related to using the bank-led model for the agent and the mitigating of the risk related of e-money.

5. Conceptual Framework

In this article, conceptual framework will assist the reader on the understanding of the relationship of the various variables [41]. This section discusses the conceptual framework on the moderating effect of BSN banking agent on financial inclusion performance of BSN. It consists of independent variables (Agent characteristic, Liquidity, Security and Product Services) and the dependent variable (BSN Financial Inclusion Performance). Figure 1 shown the conceptual framework.

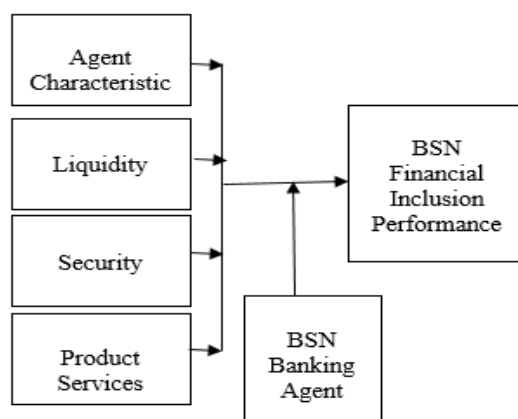


Fig. 1. Conceptual Framework

6. Conclusion

In this paper, four variables of moderating effect of BSN banking agent namely: agent characteristic, liquidity, security and product services; as they may have different effects on BSN financial inclusion performance. It is possible that the effects of BSN banking agent on each of the four elements variables may differ from each other. These concepts are discussed above in turn. In the scope of this paper, further established that financial services accessibility through BSN banking affects the BSN financial Inclusion performance. According to Al-Hawari *et al.* [42] by doing the services for the bank such as opening account, cash-in and cash-out, bill payment and others rationally will generate the transaction volume and liquidity. Therefore, the agents need to balance their adequate cash in the drawer or even their e-money float balance to meet the demand of the customer in doing the daily transaction. It is very crucial for an agent to have the balance or else they must be out of cash or e-float and may not be able to assist the customer needs. Or else, the customer will have discourage if the agent fail to assist and provide the services to them when they needed. It will affect the provider not only to the agent but also to the provider. This is a big risk in losing loyal customers of the other business operated by the agent.

Furthermore, having a lot of cash in the drawer need attention to as it is involved the security mechanism. The study further established that market development affects agent's business. [43] mentioned that main hindrances to speedy growth of the agency banking is lack of awareness, social exclusion and low literacy levels. This agreed with the findings of the study which revealed that lack of in depth knowledge and modern skills of banking industry has affected speedy growth of the agency banking and the other business they operate. According to [44] the implementation of agent banking sector, bring the rose of the sector for the employment by 23%. This scenario related to the increase of the institution branch network and the extended of the business volume. The study also revealed that branding affected performance of agent's business to a very great extent. [45] indicated that with strong brand identity and the understood and the acceptable by the customer towards the brand will result to developing the trust. Being noted and the agent of BSN, will bring more customer base and more volume of transaction. Brand and being recognized by the customer will help developing in the performance of financial inclusion of BSN. The study finally concludes that branding and being recognized as the BSN Banking Agents had the greatest effect on the performance of bank agents business, market share and followed by increase of the financial inclusion of BSN.

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