Determinants of Agency Banking Adoption Among Commercial Banks in Tanzania
A Case of Moshi Municipality
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Agency banking adoption is the process whereby licensed financial institution contracted bank agents to process client transactions. The agency banking adoption was first developed in Brazil in 1999 and further in embraced Tanzania on 2013. The study presents the findings on the determinants of agency banking adoption among commercial bank in Tanzania. The specific objectives of the study were to assess the bank factors for the adoption of agency banking by commercial banks, to assess resources-based factor for the adoption of agency banking by commercial banks as well as to examine technological factors for the agency banking adoption. The study adopted a cross-sectional research design. The sample size was 50 bank staff, where survey questionnaires, interview and documentary review were employed to get intended results from the data collected. Data were analysed using descriptive statistics. The study found that bank policies, BOT regulations, system availability, bank location, operational costs, and monitoring mechanisms are bank factors that determine agency banking adoption. Moreover, financial resources, access to hardware and software, personnel, number of transactions, technology complexity, technology compatibility, system reliability and security are resources-based factor and technological factor that determined agency banking adoption by commercial banks. It was concluded that, agency banking adoption is a promising and innovative service that aids everyday necessity, and also helps to increase the economic positions of people in rural and urban areas not only in Moshi Municipality but wherever there is a need for such a service. The study recommends that, banks should put in place adequate financial resources to be able to adopt agency banking because agency banking requires massive financial resources.