ANALYZING THE SUCCESS FACTORS OF BRANCHLESS BANKING INITIATIVES IN NEPAL

A Dissertation submitted to the Office of the Dean, Faculty of Management in partial fulfillment of the requirements for the Master's Degree

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CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled **"Analyzing the Success Factors of Branchless Banking Initiatives in Nepal".** The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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REPORT OF RESEARCH COMMITTEE

Mr. Uttam Parajuli has defended research proposal entitled **"Analyzing the Success Factors of Branchless Banking Initiatives in Nepal"** successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestion and guidelines of supervisor Keshar Singh Khati and Keshav Chand and submit the thesis for evaluation and viva-voce examination.

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APPROVAL SHEET

We, the undersigned, have examined the thesis entitled **"Analyzing the Success Factors of Branchless Banking Initiatives in Nepal"** presented by Uttam Parajuli, a candidate for the degree of Master of Business Studies (MBS Semester) and conducted the Viva voce examination of the candidate. We hereby certify that the thesis is worthy of acceptance.

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This study entitled "**Analyzing the Success Factors of Branchless Banking Initiatives in Nepal**" has been prepared in partial fulfillment for the Degree of Master of Business Studies (MBS) under the Faculty of Management, Tribhuvan University is based on research models involving the use of qualitative aspect of analyzing the success factors of branchless banking initiatives in Nepal.

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Uttam Parajuli
Date:

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ABBREVIATIONS

%	:	Percentage
&	:	And
e.g.	:	Example
i.e.	:	That is
IBB	:	Initiatives of Branchless Banking
IBM	:	International Business Machine Corporation
MS. DO	:	Microsoft Disk Operating System
No.	:	Number
PEOU	:	Perceived Ease of Use
PR	:	Perceived Risk
PU	:	Perceived Usefulness
Res	:	Respondents
SEM	:	Structural Equation Modeling
SPSS	:	Statistical Package for Social Sciences
T	:	Trust
T.U.	:	Tribhuvan University
WHO	:	World Health Organization
www	:	World Wide Web

ABSTRACT

This study analyzes the success factors of branchless banking initiatives in Nepal. The study has followed descriptive and casual research design. This study used descriptive statistic, correlation analysis and regression analysis to analyze the data. This study shows that the majority of the respondents agreed that ease of use of branchless banking services is the factor highly affects their initiatives towards branchless banking and they believe that their initiaves of branchless banking level is also high. The correlation analysis reveals that there is significant positive relationship between perceived usefulness of branchless banking services and initiatives of branchless banking. Similarly, perceived ease of use has significant positive relationship with initiatives of branchless banking. At the same time, there is significant positive relationship between trust of branchless banking and initiaves of branchless banking. Besides these, perceived risk has significant negative relationship with initiaves of branchless banking. The multiple regression analysis shows that there is significant positive effect of perceived usefulness on initiaves of branchless banking. Likewise, perceived ease of use has significant positive impact on initiaves of branchless banking. At the meantime, there is significant positive effect of turst on initiaves of branchless banking. Moreover, perceived risk has significant negative effect on initiaves of branchless banking. Therefore, this study concluded that all the variables are major factors of branchless banking initiaves.

Keywords: *Initiatives of branchless banking, perceived ease of use, perceived risk, perceived usefulness and trust*

CHAPTER I
INTRODUCTION

1.1 Background of the Study

Financial institutions in both developed and emerging nations are becoming more and more interested in the issue of financial innovation. The act of developing or introducing new financial instruments, technology, institutions, and markets is known as financial innovation. One of the increasingly popular developments in the financial services sector is branchless banking. Customers can get formal financial services through a variety of delivery channels, eliminating the need to physically visit a bank office (Mustafa & Waheed, 2016). Innovation in processes is distinguished from innovation in products. Innovation in products and services refers to the introduction of new offerings tailored to meet the demands of consumers or the market. Product and service innovation in the context of branchless banking refers to the introduction of new goods like smart cards and point-of-sale devices, as well as new services like agent-based banking, mobile banking, online banking, and online securities trading (Frame & White, 2004).

Data from Nepal Rastra Bank (NRB) shows that as of mid-July this year, 1,319 branchless banking service facilities catered to over 320,000 consumers. The number of branchless banking service providers has decreased in comparison to the same period in the previous fiscal year. By mid-July 2022, 1,548 branchless banking outlets had served over 283,000 consumers. Branchless banking has seen an increase in customers, despite the fact that there are fewer service centers than there were a year ago. The central bank introduced the concept of branchless banking sixteen years ago, and this service went live in 2011. Midway through July 2021, branchless banking services started to decline despite a ten-year boom.

Branchless banking refers to the provision of financial services outside of traditional bank branches, with the primary point of contact with customers being retail agents or other third-party intermediaries. Transaction details are transmitted via mobile phones and card-reading point-of-sale (POS) terminals, among other technologies. Because of their fierce rivalry, banks are very inventive and are at the forefront of new

innovations in the banking industry as well as in broader financial markets (Faure, 2013). Specifically, the concept of branchless banking originated in South America in Brazil and Mexico (CGAP, 2008). Better access to financial services and products for a larger number of families was the initial aim of branchless banking. Because of the fierce rivalry in the banking industry, players in the formal sector are increasingly seeing the benefits of using cutting-edge strategies to offer financial services to low-income and rural populations.

Developments and new advances are essential to banks' success and, by extension, to customers' satisfaction. New technologies are being used along with the creation of new products and services as a result of the increasing competition among banks. Branchless banking has emerged as one of the most notable advancements, particularly when considering Nepal. BLB serves as its customers' primary point of contact through retail agents or other third-party middlemen. These locations have Point of Service (POS) equipment for transactions, including tablets, e-banking, mobile banking, ATMs, and POS systems that read cards. In underdeveloped nations, BLB has had a major impact on financial inclusion.

Branchless banking offers advantages as well as disadvantages. The fact that it saves time in both providing and receiving financial services is undoubtedly a benefit. Since clients do not need to physically visit bank locations, financial services are also provided at a reduced cost of transportation. One drawback is that some individuals do not like agency or online banking since they have to give personal information to bank agents who could misuse it as well as to hackers on the internet. Put another way, for security concerns, a lot of individuals might not want to cope with branchless banking (Idrees & Khan, 2021).

Branchless banking seeks to lessen public reliance on physical bank branches by giving priority to the creation of financial institutions that will eventually permit routine transactions by the general public and other businesses through retail locations that function as bank agents. in the application of mobile banking and the development of digital technology. The majority of Indonesian banks, both traditional and Islamic, provide online banking services, often known as mobile banking (Carmel & Scott, 2009).

Financial intermediation, or the transfer of cash from surplus units—bank deposits—to deficit units bank loans is, as far as we know, the fundamental role of banks. For this reason, financial intermediation is referred to as core banking, and commercial banks are also known as financial intermediaries. The provision of financial services and the augmentation of the payment system through the movement of money between locations and between individuals are banks' other significant roles. Because core banking primarily makes investments easier in the nation, it is seen as a driver for future economic growth. However, while providing financial services, especially cash transfers, undoubtedly boosts economic activity now, it has minimal effect on the economy's potential to grow in the future (Franksiska et al., 2017).

In an effort to expand their branchless banking program, banks are beginning to explore various platforms and strategies. Banks should be sure to offer a solid, user-friendly platform that is appropriate for rural communities' requirements and characteristics. To increase the degree of success in implementing branchless banking in Nepal, it is crucial to comprehend the demands and perceptions of the technology itself. Nevertheless, up until now, Nepalese commercial banks have failed to publicize the existence of smart agents, implement a strategy that could increase market share by focusing on the unbanked population, and inform those living far from branch offices that opening an account can be done via mobile banking instead of physically visiting the office. Based on these problems, the researcher wants to conduct research to analyze the factor affecting branchless banking initiatives in Nepal.

1.2 Problem Statement

Because to the extraordinary global growth and advancement of the ICT sector, the banking sector now has a rare opportunity to provide financial services through electronic channels. However, due to the underdeveloped information and communication technology sector and the lower internet connectivity in developing countries compared to industrialized countries, branchless banking in particular and electronic banking services in general have not been able to fully integrate into society.

Clients of Nepalese banks are hesitant to accept new technologies, and when it comes to handling money, most people prefer conventional banking since they can obtain

documentation in paper copy and believe that they can protect themselves from fraud. Building an online banking system requires a significant financial outlay, and initially, some organizations were reluctant to embrace this novel idea. However, as mobile phone technology advanced, these organizations realized the potential of branchless banking in the contemporary world, where consumers prioritize convenience and comfort.

Kazi and Mannan (2015) concluded that perceived risk, perceived utility, perceived ease of use, and social influence all had a major impact on customers' intentions to utilize mobile banking services. Ali, Dwivedi and Williams (2015) stated that all determinants of behavioral intention (BI) as relevant has been approved. The most significant predictor of BI was TR.. El-Qirem (2016) found that the behavioral intention to adopt financial services was directly impacted by factors such as effort expectancy, convenience, accessibility, speedy service delivery, security, privacy, trust, content, design, and simplicity of the banking website, as well as anxiety, unreliability, fees and charges, and the quality of the e-service.

Sandada, Simbarashe, and Shamhuyenhanzva (2016) revealed that perceived utility and understanding of the benefits of electronic banking had a substantial influence on the uptake of this technology in Zimbabwe. Franksiska et al. (2017) found that Kuncen village residents were motivated to choose branchless banking by relative benefit and difficulty. Mehmood et al. (2018) demonstrated that the following factors will affect the use of e-banking: customers' perception of e-banking as useful; transactions carried out on a user-friendly website; customers' information is secure; and there was a relationship of trust between the customer and the e-banking service provider.

Jain and Agrawal (2019) found that perceived usefulness, perceived convenience, and perceived trust significantly influenced the behavioral intention to utilize mobile banking, while perceived financial expenditures did not. Daka and Phiri (2019) revealed that the UTAUT elements performance expectancy, effort expectancy, enabling conditions, and behavior intention had a major impact on the adoption of e-banking services.

Mohamed et al. (2020) showed that e-banking adoption was found to be highly impacted by criteria including internet speed, perceived ease of use, trust, and perceived utility. Rawwasha et al. (2020) found that perceived value, ease of use, privacy, and trust all had a positive and direct influence on e-banking adoption. Convenience was shown to have little effect on e-banking services. Chang et al. (2020) found that the adoption of e-banking services was considerably boosted by staff assistance, security, and perceived ease of use. However, social influence had a slight but beneficial effect on the adoption of e-banking services. Anouze and Alamro (2020) have identified many noteworthy characteristics that act as impediments to the desire of users in Jordan to utilize e-banking services. These variables include perceived ease of use, perceived utility, security, and affordability. Idrees and Khan (2021) found a high level of person dependability and respondent spread. The item's dispersion was only moderate, but the item's dependability result was superb. As per previous studies these independent variables (perceived usefulness, perceived ease of use, trust and perceived risk) are not studied together and also these variables are not studied with adoption and initiative of branchless banking. Consumers are wanting for financial transactions to be more convenient, as the number of people utilizing mobile phones is growing every day. The research will offer branchless banking as a workaround in this situation, allowing consumers to circumvent the shortcomings of the traditional banking system.

More specifically this study seeks to solve the answer of following question:

- What are the success factors of branchless banking initiatives in Nepal?
- What is the relationship between branchless banking initiatives and its success factors such as perceived usefulness, perceived ease of use, trust and perceived risk in Nepal?
- What impact can be seen of usefulness, ease of use, trust and perceived risk on branchless banking initiative in Nepal?

1.3 Objectives of the Study

The main objective of this study is to analyze the success factors of branchless banking initiatives in Nepal. The specific objectives are given below:

- To identify the success factors of branchless banking initiatives in Nepal.
- To examine the relationship between branchless banking initiatives and its success factors such as perceived usefulness, perceived ease of use, trust and perceived risk in Nepal.
- To evaluate the impact of perceived usefulness, perceived ease of use, trust and perceived risk on branchless banking initiative in Nepal.

1.4 Research Hypothesis

Based on the objectives of the study, theoretical and empirical literature review of the success factors of branchless banking initiatives in Nepal following hypothesis are developed.

1. H_1: There is significant impact of perceived usefulness on branchless banking initiatives in Nepal.
2. H_2: There is significant impact of perceived ease of use on branchless banking initiatives in Nepal.
3. H_3: There is significant impact of trust on branchless banking initiatives in Nepal.
4. H_4: There is significant impact of perceived risk on branchless banking initiatives in Nepal.

1.5 Rational of the Study

The findings of the research study will be helpful to the management of the Nepal Commercial Bank Group and other commercial banks in Nepal when they make decisions on the branchless banking initiatives. The results of this study are anticipated to provide managers with information on a range of topics influencing branchless banking initiatives as well as strategies for the Bank to guarantee a greater uptake of branchless banking among its clients.

The results of the research will be helpful to the Nepali government, particularly the Ministry of Finance, which operates Nepal Rastra Bank and develops laws and policies pertaining to agency banking in the nation. The Central Bank of Nepal's

(NRB) policy makers may create relevant laws and regulations regarding branchless banking by using the study's findings to understand the many elements influencing this project.

In addition to proposing areas for further research where they might focus, relevant academics and researchers would also find the results to be of great assistance to them, since they will use the findings as an empirical source for their future studies. The empirical literature on branchless banking initiatives in Nepal has expanded as a result of the study's findings.

1.6 Limitations of the Study

The limitations of the study are as follows;

- The study focuses on analyzing success factors of branchless banking initiatives in Nepal.
- This survey may not fully reflect how consumers see Nepal overall because it is limited to the Kathmandu Metropolitan City and only includes areas where targeted answers are available.
- A significant amount of the data analysis section is based on primary data, and the data's accuracy is determined by the reliability of the respondents' opinions.
- There are no more than 384 participants in the sample. As a result, generalizing will be quite difficult.
- There will be usage of a judgmental sampling approach. Therefore, due to the sampling process, it may contain some errors.
- This study used descriptive statistic, correlation analysis and multiple regression analysis.

CHAPTER- II
LITERATURE REVIEW

A critical and fundamental phase in every research endeavor is the literature evaluation. In order to do fresh research, it involves reviewing research papers or other relevant claims in the relevant field of study to become aware of all prior studies, their flaws, and their conclusions. This chapter examines and evaluates several books, articles, and published and unpublished pieces on related subjects in a variety of economic periodicals, magazines, newspapers, and the yearly balance statement of the pertinent banks. It also searches the web for information on the subject. This chapter is divided into two sections: the theoretical review and the empirical review.

2.1 Theoritical Review

The relevant branchless banking theories were reviewed in this section. These include the theory of financial intermediation, contemporary banking theory, the theory of the firm, diffusion of innovation theory and the branchless banking heories.

2.1.1 The Theory of Financial Intermediation

Douglas proposed this theory in 1984. The hypothesis states that the primary external funding sources for businesses are commercial banks and other financial intermediaries. Faure (2013) argued the reason financial intermediaries are in place is not just because lenders and borrowers have different needs, but also because of the specialized services they offer, like insurance services (provided by insurance companies), retirement fund products (retirement funds), investment products (unit trusts), overdraft and deposit facilities (provided by banks), and so forth. In the United States, between 1970 and 1985, financial intermediaries supplied more than half of the foreign funding (Faure, 2013).

Based on financial intermediation theory, borrowers and lenders experience information asymmetry in the financial system and markets because borrowers often possess greater knowledge about their investment projects than lenders. The hypothesis states that financial intermediaries serve as middlemen and reduce net

costs as a result. Strong predictions regarding the contracts utilized by financial intermediaries are made by the model, which offers a framework for analyzing significant banking policy concerns. Brigham and Gapenski (1997) argued that financial intermediaries create new financial products in addition to transferring money and assets between businesses and savers. Furthermore, Brigham and Gapenski (1997) asserted that financial intermediaries benefit from economies of scale when it comes to assessing the creditworthiness of potential borrowers, processing and collecting loan facilities, pooling risk, and helping individual savers diversify their portfolios because they are usually very large.

Basic economic dynamics have an influence on banks' traditional role in providing financial intermediation services between lenders and borrowers. Edwards et al. (1995) observed that deposits are no longer as important a source of finance for financial intermediaries. Moreover, standard banking activities such as commercial lending have caused the financial performance of the last several years to decline. As a result, banks have modified their business models to incorporate new, unconventional financial activities in order to maintain their standing as financial intermediaries. Moreover, Brigham and Gapenski (1997) pointed out that financial intermediaries have historically been subject to a great deal of regulation. The primary objective of this law is to protect depositors by guaranteeing the security of the institutions.

The financial intermediation theory serves as a strong foundation for this research. The dependent variable financial performance of Kenya's commercial banks, the mediating variable financial inclusion, the moderating variable government policy, and the independent variables agency and electronic banking have all been informed by the theory. In order to keep their status as financial intermediaries, banks can now adapt their business models to include new, non-traditional financial services thanks to branchless banking. The theory also clarifies the significance of regulation for the long-term viability of financial institutions and the security of depositors' cash, as well as the significance of financial intermediation for financial inclusion and performance.

2.1.2 Contemporary Banking Theory

This theory was proposed by Bhattacharya and Thakor in 1993. This concept extended the financial intermediation hypothesis. Modern banking theory holds that without the assistance of commercial banks and other financial intermediaries, the economy is unable to allocate its capital resources in an efficient manner. The theory states that financial intermediaries stimulate the economy by reducing the cost of transactions for a range of operations, such as brokerage and attribute transformation. Bhattacharya and Thakor (1993) also noted that bank lending is unique in that it indicates quality in a manner that other types of credit do not, given considerable information asymmetries between borrowers and lenders. The premise that "different economic agents possess different pieces of information on relevant economic variables, in that agents will use this information for their own profit" is the basis of this theory's information asymmetry idea (Freixas & Rochet 1988).

Adverse selection and moral hazard are typically caused by asymmetric information. Asymmetric information refers to the lack of knowledge on the side of the potential borrowers regarding the features of the loans and the lenders, and it typically arises long before the transaction takes place. Adverse selection is the term used for this. Moral hazard is associated with lender incentives to act in an opportunistic manner and manifests itself long after the transaction has taken place. The financial performance of commercial banks is a dependent variable, while branchless banking is an independent variable. This hypothesis greatly influences both of these variables. Through branchless banking, customers may easily obtain information about banking goods and services without having to visit traditional bank branches, which used to be the main point of interaction between the bank and its customers. Financial performance has improved as a result of easy access to information about bank products via agency and online banking channels. This has also improved financial inclusiveness.

2.1.3 The Theory of the Firm

Coase (1937) began the first studies on the theory of the firm. The firm theory states that the company's objective is to maximize profits. To achieve this, the business must choose how much of a good to produce in consideration of costs, technology, and demand. In a market with competition, a company is a price taker. In this case, the

market price is equal to the demand, average revenue (AR), and marginal revenue (MR). The corporation will produce at the point where MR = MC, where marginal cost is the cost of producing one extra unit of the product, in order to maximize profit because it has manufacturing expenditures.

Profit maximization is the goal of any bank's management. Both fixed and variable expenses are included in the total costs incurred by the banks; in traditional branch banking, the fixed cost component is fairly large. A portion of these incurred fixed expenditures must be capitalized over an extended period of time. Typically, fixed expenditures would be incurred regardless of revenues, which would limit the banks' ability to reduce expenses. Consequently, banks will be forced to industrialize in order to combine great flexibility with low costs. As a result, banks are transitioning to a business model in which expenses are comparatively changeable and only spent in conjunction with commercial activities. As a result, banks have more control over their expenses and revenue targets, which in turn affects their financial performance. One tactic being investigated to assist banks in achieving this is branchless banking.

Due to its high level of concentration and the larger market share held by Tier 1 banks, the banking sector is oligopolistic in nature. Every company has sufficient market power to avoid taking the lead in prices set by the market, but there is also enough inter-firm competition for every company to avoid taking the market demand curve as its own (Lipsey, 1993). In addition, banks operating in comparable market segments face intense competition from one another for the little market share. Oligopolists need strategic thinking, in contrast to other market groups. A seller in an oligopoly has sufficient power to influence the market. Every lender needs to reply to the decisions made by their competitors, but your competitors are replying to your decisions and tactics. As is already the case in the Kenyan banking sector, this would encourage greater product innovation in order to gain a competitive edge. Among these innovations is branchless banking. Lipsey (1993) argued that oligopoly may be particularly successful in fostering long-term adaptations that lead to the development of both new goods and ways to cut costs.

2.1.4 Diffusion of Innovation Theory

The hypothesis of the dissemination of innovations was proposed out by Everett Rogers in 2003. The theory seeks to explain the how, why, and pace of spread of new ideas and inventions. According to Rodgers (2003), diffusion is the process by which an invention gradually disseminates among people who are a part of a social system. Moreover, Rogers (2003) argues that diffusion regulates the adoption of new technologies. He suggested five qualities for the Theory of Innovation. The first characteristic, relative advantage, demonstrates how far technological development has come in comparison to past breakthroughs. These benefits can be seen from the angles of economics, prestige, comfort, technology, and satisfaction. If a technical invention is perceived to provide a substantial relative advantage, people will embrace it. Compatibility, the second feature, refers to how well a technology breakthrough fits the requirements, experiences, and values of its adopters. The final feature, complexity, is defined by Rogers (2003) as the degree of difficulty involved in comprehending and utilizing a technical innovation. Adoption of a technology breakthrough is more challenging the more sophisticated and complex it is. Rodgers (2003) argued trialability, the fourth attribute, refers to how easily a technical invention may be put to the test. Observability is the final quality. This characteristic has to do with how easily the outcomes of implementing technology breakthroughs can be seen and shared.

The diffusion of innovation theory states that new ideas, behaviors, products, or innovations are progressively adopted by members of a social system, with some embracing them earlier than others. A total of five adopter categories have been determined. The early majority, innovators, laggards, early adopters, and late adopters are among them. Studies have demonstrated that early and late users of technology exhibit distinct characteristics. This concept explains why Kenya's banking industry adopted the branchless banking model. The banking industry did not adopt the branchless banking model uniformly, according to an assessment of the literature. Globally speaking, the idea of branchless banking originated in South America, primarily in Brazil and Mexico (CGAP, 2008). South American banks are perhaps the pioneers of the branchless banking model. The banking industry has adopted branchless banking at various points throughout the past few years. The adoption of

financial services on mobile platforms is currently leading the world on the African continent.

2.1.5 Bank -led Theory

Cameron created the bank-led theory in 1972. A regulated financial institution uses a retail agent to deliver financial services and products under the bank-led theory of branchless banking. The bank creates financial services and products and distributes them through retail agents who manage all or most of the customer relationship (CGAP, 2008). The primary bank is the organization where customers' accounts are kept and where financial services are ultimately provided. Similar to how a branch-based teller would accept deposits and handle cash withdrawals, retail agents engage directly with consumers and handle cash in and cash out transactions. Retail representatives in many nations also manage the whole account opening process, including identifying and servicing loan borrowers. A retail agent might be someone who works in an establishment that accepts cash and is near to clients. Every retail agent, regardless of the kind of location, has the ability to electronically connect with the bank they work for. A cell phone or an electronic point-of-sale (POS) terminal with card readers might be the equipment.

Financial services might use a different distribution channel (retailers/mobile phones) using this technique to reach a larger audience. A separate trade partner (Chain Store) with knowledge and a target market distinct from a traditional bank may be considerably less expensive than alternatives based in banks. In this model, there is an account connection between the bank and the consumer. Since it describes how commercial banks create financial products and services and distribute them through retail agents who handle all or most of the customer encounter, this theory adds to the study's independent variable. Additionally, the bank-led model's capacity to expand financial services' reach to both current and potential bank customers raises financial inclusion, which in turn influences the mediating variable of financial inclusion.

2.1.6 Non Bank-led Theory

Kumar (2006) developed the nonbank-led theory. According to the nonbank driven concept clients don't engage with banks or keep an account with them. Rather, they work with a nonbank company that is either a prepaid card issuer or a mobile network

provider, and retail agents are their primary point of contact. Customers using this model trade in their cash for electronic money held in a virtual account on the nonbank's server; this electronic money is not linked to the customer's own bank account (Kumar et al., 2006). This strategy is riskier because there may be considerable risks associated with anti-money laundering and counter-terrorism financing (AML/CFT) due to the regulatory framework in which these nonbank outlets operate potentially placing less emphasis on issues linked to client due diligence. But this model only becomes viable when regulators have adequate knowledge about using the bank led approach to mitigate agent-related risks, and they only need to consider reducing e-money-related hazards (Kapoor, 2010). This paradigm is characterized by e-money hazards, which need to be mitigated by stricter regulation.

Non-bank lead agents must adhere to strict guidelines on financial stability, liquidity, and transparency. The kind, amount, and character of the business that these firms are allowed to do should all have precise, well-defined boundaries (Mwando, 2013). These firms might be required to deposit their net e-banking excess funds with scheduled banks that fulfill specific minimum rating requirements in order to prevent insolvency. The nonbank theory explains how a nonbank firm, such as a mobile network operator or prepaid card issuer, and retail agents can be used to distribute banking products and services to clients without dealing with a bank. This theory has been applied in the study to inform the independent variables agency banking and electronic banking. However, due to the associated risks, non-bank led agents are now unpopular in Kenya's financial industry.

2.1.7 Bank Focused Theory

According to the bank-focused idea, a typical bank offers its current clientele banking services through non-traditional, low-cost delivery channels. Examples include offering a limited range of financial services to bank clients through the use of automated teller machines (ATMs), online banking, or mobile banking. In 2010, Kapoor created this notion. The use of ATMs is complimentary and might be considered a little expansion of traditional branch-based banking. Benefits like increased control and branding visibility are provided to the relevant financial institutions by this. Concerns exist, meanwhile, regarding the user experience,

identification and transaction security, consistency and accessibility of the service, and the degree of customisation permitted.

Financial institutions offer a branchless banking solution with an intuitive interface to address these problems and worries. Multi-factor authentication and other technologies that can operate constantly and without interruption for 365 days a year serve to further increase security (Kapoor, 2010). Kenyan banks have made substantial use of non-bank led agency banking. The utilization of retail agents and non-traditional low-cost delivery channels like ATMs, internet banking, or mobile banking solutions to provide banking services to its existing customers makes both the bank led and bank focused theories pertinent to this study. Since it describes how commercial banks employ non-traditional low-cost distribution channels to supply banking services to its current clients, this theory adds to the independent variables agency banking and electronic banking.

2.1.8 Branchless Banking Theories

The three other theories bank centered, non-bank led, and bank led all make significant contributions to this research. These theories primarily aim to clarify the operations of branchless banking, the opportunities and hazards associated with it, and as a result, they add to the study's independent variables. A regulated financial institution uses a retail agent to deliver financial services and products under the bank-led theory of branchless banking. According to CGAP (2008), the bank creates financial services and products and then distributes them via retail agents who deal with the majority of consumer interactions. Similar to how a branch-based teller would accept deposits and handle cash withdrawals, retail agents engage directly with consumers and carry out cash in/cash out tasks (Owens, 2006).

The nonbank driven theory states that consumers don't interface with banks or keep bank accounts. Rather, they operate with a nonbank company, such as a prepaid card issuer or mobile network provider, and their point of contact is with retail agents. Customers using this model trade in their cash for electronic money held in a virtual account on the nonbank's server; this electronic money is not linked to the customer's personal bank account (Kumar et al., 2006). This strategy is riskier because there may

be considerable risks associated with anti-money laundering and counter-terrorism financing (AML/CFT) due to the regulatory framework in which these nonbank outlets operate potentially placing less emphasis on concerns linked to client due diligence. According to the bank-focused idea, a typical bank offers its current clientele banking services through non-traditional, low-cost delivery channels. Examples include offering a limited range of financial services to bank clients through the use of automated teller machines (ATMs), online banking, or mobile banking. The use of ATMs is complimentary to traditional branch-based banking and may be considered a little extension of it.

2.2 Empirical Review

Mulyati et al. (2023) investigated the role of attitude in mediating the influence of perceived usefulness on intention to use Nagari mobile banking. The purpose of this study was to ascertain how attitude functionsed as a mediating factor between perceived utility and desire to utilize Nagari mobile banking. With a sample size of 100, the population consists of all bank clients at the Bank Nagari Main Branch who use Nagari Mobile Banking services. SEM-Partial Least Square (PLS) data analysis. This study found that customers' attitudes toward using Nagari Mobile Banking were positively and significantly impacted by perceived usefulness; customers' attitudes also significantly and positively impacted their intention to use Nagari Mobile Banking; and customers' attitudes, through a mediating effect of perceived usefulness, significantly and positively impacted their intention to use Nagari Mobile Banking.

Khan and Soni (2022) investigated a study on adoption of digital banking services using structured equation model. The purpose of this study is to establish India's plan to use the SEM Model for Digital Banking Adoption. Two multiple criteria decision making (MCDM) techniques and structural equation modeling (SEM) were used as part of a mixed methodology for data analysis. To determine causal linkages and give variables weights, the SEM is employed. This study showed a strong positive correlation between the adoption of digital banking and perceived utility, perceived ease of use, perceived risk, and trust. The findings could be extremely helpful to financial institutions like banks.

Aziz et al. (2022) assessed factors influencing internet banking adoption by using rasch model measurement. The primary objectives of this study were to assess the validity and reliability of the instrument and use the Rasch model software to investigate the factors of online banking adoption that were discovered to be influencing usage. Using the findings from the previous literature review, a conceptual model was developed at the preliminary stage. Approximately seventeen components have been identified and improved upon as significant factors from the previous models and frameworks. These factors include the following: website design (WD), perceived usefulness (PU), perceived ease of use (PEOU), intention to use (IU), sustainability, commitment, user experience/generation, knowledge, profession, and income; and security, quality system, social influence, trust, and electronic word of mouth (eWOM). 51 people completed the questionnaire survey satisfactorily, and 30 people's pilot data was verified. The findings demonstrated that respondent person dependability was high and respondent spread was high as well. The result for item dependability was high, however the item's spread was only modest.

Chi (2021) examined factors affecting customers' intention to use e-banking in Vietnam. The study sought to explain the sluggish penetration of e-banking in Vietnam, a nation with a low percentage of people intending to use it. To investigate this matter empirically, 235 clients in Hanoi were included in the representative sample. The author used the SPSS and AMOS software packages to do a multiple regression analysis in order to estimate the study model. The findings showed that Performance Expectancy, Brand Image, Law Factor, and Subjective Norms all had positive effects on the intention to use e-banking; however, there were negative correlations discovered between the desire to use e-banking and Perceived Risk and Perceived Switching Cost. Recommendations are made for banks based on the findings, with an emphasis on external issues like subjective norms and aspects of the services provided by banks. The report also clarifies the complete operation of the banks' online banking platforms, highlighting the necessity of ensuring media and individual interactions, which might heighten the desire to utilize online banking in Vietnam.

Nurmaliki and Mirza (2021) investigated factors affecting the intention to adopt digital banking by digital saving customers: case study of Syariah Mandiri Bank. The

purpose of this study was to identify and evaluate the variables affecting Indonesian bank customers' usage of the Digital Savings application. Customers of banks offering Digital Savings products in DKI Jakarta make up the population. Utilizing a purposive sampling technique and the Hair formula, 174 clients make up the necessary sample size. Statistical tests for multiple linear regression were used to test and interpret this research. The findings indicated that three factors perceived utility, attitude, and trust influenced users' intentions to utilize the digital savings program. Perceived simplicity of use, perceived control over behavior, and social influence are not major factors influencing the purpose of the Digital Savings application. However, using the digital savings program can be significantly impacted by the intention to use it.

Madusanka and Kumari (2021) investigated antecedents of customer adoption on digital banking with special reference to non-banking financial institutes in Sri Lanka. The main objective of the research was to examine the factors influencing Sri Lankan non-bank customers' adoption of digital banking. Utilizing a standardized, self-administered questionnaire, a survey was conducted. The target population for this study consisted of all clients who utilize digital banking services offered by non-banking businesses in the Sri Lankan context, as the primary focus is on investigating the factors leading up to the adoption of digital banking by these organizations. As a result, 300 users of the digital banking services offered by the major participants in the market comprised the sample. Descriptive and inferential statistical methods were used to evaluate the data, and PLS-based SEM was used to test the hypotheses. This study showed that perceived usefulness had a small but detrimental effect on the uptake of digital banking. Perceived security and simplicity of use also had a significant impact on the adoption of digital banking. On the other side, issues with compatibility, information quality, and customer trust significantly impacted the adoption of digital banking.

Idrees and Khan (2021) investigated factors affecting the adoption of branchless banking in Pakistan. The main objective of the study was to identify the factors influencing Pakistan's adoption of branchless banking. This study proposed branchless banking as a way for clients to avoid the shortcomings of the traditional banking system. The study's independent components include ignorance, consumer

attitude, perceived utility, perceived danger, social influence, perceived security, and resistance to adoption. A quantitative research methodology is applied in this investigation. A probability sample at random was done. This study found that the adoption of branchless banking was significantly impacted by a number of factors, including perceived ease of use, perceived usefulness, customer awareness, lack of awareness, social influences, security, resistance to adoption, and consumer attitude. All of the factors were thoroughly examined, and potential factors that are significantly affecting the adoption of branchless banking in Pakistan were identified with the use of SPSS. The modern banking industry is characterized by digital banking, and in order for a company to remain competitive in the market, it must be able to implement and promote branchless banking. Several barriers to the adoption of branchless banking in Pakistan have already been identified.

Anouze and Alamro (2020) examined factors affecting intention to use e-banking in Jordan. The aim of this article was to examine e-banking in Jordan, a nation with low e-banking intention, and to provide an explanation for the delayed adoption rate. A total of 328 completed survey questionnaires were gathered from bank customers in Amman, Jordan, who received the survey. The study employed SPSS and AMOS software, together with multiple regression and artificial neural networks to ascertain the significance and relative influence of e-banking predictors. The statistical methods showed that a number of important factors show out as the obstacles to intention to use e-banking services in Jordan, including perceived usefulness, security, and affordability.

Chang et al. (2020) examined factors affecting the internet banking adoption. The study was an attempt to identify the impact of certain aspects on the adoption of E-services by customers of small finance banks in Karnataka, including perceived ease of use, security, social influence, and employee support. Multiple regression analysis and correlation were utilized in this study to examine the data. According to this study, staff support, security, and perceived simplicity of use all significantly increased the adoption of online banking services. Nonetheless, the uptake of e-banking services was positively impacted by social influence, however significantly. The results will provide future academics studying the uptake of technology with new

insights. The outcome will also assist the lenders in redesigning their offerings to better satisfy client needs and boost profitability.

Rawwasha et al. (2020) examined factors affecting Jordanian electronic banking services. The purpose of this study was to determine the variables affecting the electronic banking services that Jordanian banks offer. The aspects this survey looked into were perceived utility, convenience, ease of use, privacy and security, and trust. A random sample of 300 patients with active bank accounts at several Jordanian local banks who were employed by King Abdullah University Hospital was chosen. The study employed a 5-point rating system in its questionnaire design to gather primary data. The results of the research indicated that e-banking adoption was directly and favorably impacted by perceived utility, simplicity of use, trust, and privacy. It was discovered that convenience has no influence on e-banking services.

Mohamed et al. (2020) analyzed factors influencing the adoption of e-banking in Somalia. The purpose of this study was to identify the factors driving Somalia's adoption of electronic banking. Since the inception of e-banking, numerous research studies have looked at various e-banking strategies in developing nations. This study found that four important factors internet speed, trust, perceived utility, and ease of use have an impact on the acceptability of e-banking. For this study, primary data were gathered via an online survey form. Future research should cover other geographic regions, such as more cities in Somalia, in order to fulfill the generalizability of the findings, given the study's predominantly quantitative approach. This study demonstrated that e-banking adoption was significantly influenced by internet speed, trust, perceived utility, and convenience of use.

Sthapit and Bajracharya (2019) analyzed customer perception towards adoption of e-banking services in Kathmandu: a survey of business school students. The purpose of this study was to investigate the relationship between business school students' perceptions and their use of online banking services. Customers' perceptions of the perceived hazards, convenience of use, and utility of e-banking services are measured in this study. The study used primary data obtained by effectively surveying 159 business school students using a standardized questionnaire, and it was based on

descriptive and causal research approaches. This study used descriptive statistics, t-tests, correlation analysis, and regression analysis. The study found that consumer perceptions of e-banking services' value, ease of use, and dangers had an influence on their uptake and usage. Perceived utility was the most influential factor among the three perception factors examined in terms of how business students in Kathmandu adopted e-banking.

Daka and Phiri (2019) investigated factors driving the adoption of e-banking services based on the UTAUT model. The objective of this research was to determine the root reasons of the uptake of e-banking services and offer solutions that address those issues, all based on the UTAUT model. A baseline survey was completed by 313 respondents, and the sample consisted of clients from the top five (5) banks in Zambia in terms of digital capabilities. Questionnaires were issued to these consumers using purposive sampling to find out more about their views on online banking services. Data was analysed using SPSS descriptive analysis. The results of the research showed that the adoption of e-banking services was significantly influenced by the UTAUT elements, which were performance expectancy (PE), effort expectancy (EE), facilitating conditions (FC), and behavior intention (BI). The intention of the user to use online banking services was not significantly influenced by social influence (SI).

Jain and Agrawal (2019) assessed factors affecting mobile banking adoption: An empirical study in Gwalior Region. This study investigated the variables that affect consumers' adoption of mobile banking. Four determining factors have been found by going over the prior research. A 5-point Likert scale is used to assess each individual variable. The major data collecting approach used was the distribution of self-administered quantitative questionnaires to respondents in the Gwalior area of the central Indian state of Madhya Pradesh. This investigation used a quantitative research design. To validate the validity of the questionnaire, a pilot study of 20 participants was conducted. Data was analysed using regression tests. The results of the research supported the notion that behavioral intentions to use mobile banking were positively affected by perceived convenience, perceived utility, and perceived trust, even if perceived financial expenditures were not shown to be significant. The

report concludes with a summary of the exploratory results and some suggestions for more research.

Mehmood et al. (2018) analyzed the factors e ffecting e -banking usage in Pakistan. The purpose of this research study was to shed light on Pakistan's e-banking usage. Five variables were used to analyze this topic of study: web design, trust, perceived usefulness, privacy and security, and self-efficacy. A causal study was conducted to investigate using primary data obtained from a validated questionnaire that was created and adjusted in accordance with a thorough literature review. Empirical testing was conducted using statistical techniques such as regression and correlation. The results of the research demonstrated that there will be an effect on the use of e-banking if consumers believe it to be positive, transactions are carried out on an easy-to-use website, customer information is secure, and there is a relationship of trust between the customer and the e-banking service provider. The study's conclusions suggest that bankers should consider four key criteria when creating policies related to online banking: perceived usefulness, privacy and security, web design, and trust.

Franksiska et al. (2017) investigated driving and inhibiting factors of branchless banking technology adoption in rural community. The main objectives of the research were to assess rural people's attitudes regarding branchless banking and investigate the variables that motivate them to use the technology in the Indonesian context. This study made use of the innovation diffusion idea. Relative advantage, compatibility, complexity, trialability, and observability were among the variables evaluated to investigate how rural residents felt about branchless banking. People in Salatiga, Indonesia's Kuncen village were given questionnaires. Descriptive analysis was performed in order to assist interpretation and provide a meaningful description of the data. This study found that relative advantage and complexity had an impact on Kuncen village inhabitants' acceptance of branchless banking. Compatibility, trialability, and observability are therefore obstacles to the adoption of branchless banking.

Sandada, Simbarashe and Shamhuyenhanzva (2016) analyzed determining the impact of selected success factors on the adoption of ebanking in the Zimbabwean banking

industry. The main objective of this research was to ascertain how the five success indicators that were chosen will affect the adoption of e-banking in Zimbabwe's banking sector. The nature of the research is quantitative. There were 150 participants in the survey. This study used descriptive statistic, correlation analysis and multiple regression analysis to analyze the data. The results revealed that of the five factors, only awareness and perceived usefulness exhibited a significant impact on the adoption of electronic banking in Zimbabwe. Due to this knowledge, significant strategic managerial and legislative suggestions were able to be established with the goal of raising the level of awareness and perceived utility of electronic banking in Zimbabwe, which in turn raised the level of adoption of this technology.

El-Qirem (2016) analyzed critical factors influencing e-banking service adoption in Jordanian commercial banks: A proposed model. The aim of this study was to investigate the key variables influencing the behavioral intention of Jordanian commercial banks to accept or use e-banking services. A review of the literature is being done about the technology acceptance model (TAM) and its several adaptations in order to create a theoretical framework model for the current study. This study found that behavioral intention to adopt financial services was directly impacted by effort expectancy, convenience, accessibility, speedy service delivery, security, privacy, trust, content, design, and simplicity of the banking website as well as anxiety, unreliability, fees and charges, and E-service quality. Simultaneously, this study indicates a direct correlation between behavioral intention and actual E-Banking service utilization. According to the literature assessment, industrialized countries have utilized TAM models more frequently than the Arab world to explain why people intend to embrace and employ particular technologies.

Ali, Dwivedi and Williams (2015) examined factors affecting customer intention and adoption of internet banking in Jordan. The purpose of this study was to develop and verify a conceptual model that illustrated the key variables influencing Jordanian consumers' propensity to use and adoption of online banking. The Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) was incorporated into the conceptual framework through the integration of factors such as performance expectancy (PE), facilitating conditions (FC), and hedonic motivation (HM), as well as perceived risk (PR) and trust (TR), which were gleaned from the literature on

Internet banking. Data from 348 Jordanian banking clients, a convenience sample, have been gathered using a self-administrative questionnaire (69.6 percent response rate). Structural equation modeling (SEM) has been done to verify the suggested model and look into the study assumptions by enabling AMOS 21. The results found that all predictors of behavioural intention (BI) have been recognised as significant. TR was the most influential factor predicting BI. This study ended by deliberating the research limitations and future directions.

Kazi and Mannan (2015) examined factors affecting adoption of mobile banking in Pakistan: empirical evidence. The primary aim of the research was to examine the factors that may impact the uptake of mobile banking services, with a particular emphasis on Pakistan's low-income underbanked and unbanked population. For banks and telcos alike, adopting mobile banking services has been a strategic objective. The Technology Acceptance Model (TAM) was employed for this goal, along with other factors that determine perceived risk and social influence. Using the judgment sampling method, 372 respondents from Sindh province's two main cities Karachi and Hyderabad—were surveyed in order to gather data. This study used correlation and multiple regression analysis to analyze the data. This study demonstrated, through empirical research, that social influence, perceived risk, perceived utility, and perceived ease of use all had a substantial impact on customers' propensity to embrace mobile banking services. Social influence had the biggest beneficial effect on customers' intentions to use mobile banking services. The study's examination of its findings and various commercial ramifications for Pakistani banking sector.

Table 1

Summary of Empirical Review

S.N.	Authors	Topic	Objectives	Methodology	Major Findings
1	Mulyati, Y., Alfian, A., Asnima, A. (2023).	The role of attitude in mediating the influence of perceived usefulness on intention to use Nagari mobile banking.	This study aimed to determine the role of attitude in mediating the effect of perceived usefulness on intention to use Nagari mobile banking	Data analysis using SEM-Partial Least Square (PLS)	This study found that customers' attitudes toward using Nagari Mobile Banking were positively and significantly impacted by perceived usefulness; customers' attitudes also significantly and positively impacted their intention to use Nagari Mobile Banking; and customers' attitudes,

					through a mediating effect of perceived usefulness, significantly and positively impacted their intention to use Nagari Mobile Banking.
2	Khan, S., & Soni, R. (2022)	A study on adoption of digital banking services using structured equation model.	This study aims at highlighting the intention of adoption of Digital Banking using SEM Model in India	The SEM is used to establish causal relationships and assign weights to variables.	This study showed a strong positive correlation between the adoption of digital banking and perceived utility, perceived ease of use, perceived risk, and trust. The findings could be extremely helpful to financial institutions like banks.
3	Aziz, K. A., Jabar, M. A., Abdullah, S., & Nor, R. N. H. (2022).	Assessing factors influencing internet banking adoption by using rasch model measurement .	The main purpose of this study was to use the Rasch model software in analyzing the identified influencing factors of internet banking towards improving adoption usage	The items analysis was analyzed using the Winsteps Rasch software version 5.1.7.0.	The findings demonstrated that respondent person dependability was high and respondent spread was high as well. The result for item dependability was high, however the item's spread was only modest.
4	Chi, V. T. K. (2021).	Examining factors affecting customers' intention to use e-banking in Vietnam.	The study aimed to focus on e-banking in Vietnam - a country with a low percentage of intention to adopt e-banking - and account for the slow uptake	The author used the SPSS and AMOS software packages to do a multiple regression analysis in order to estimate the study model.	The findings showed that performance expectancy, brand image, law factor, and subjective norms all had positive effects on the intention to use e-banking; however, there were negative correlations discovered between the desire to use e-banking and perceived risk and perceived switching cost.
5	Nurmaliki , S., & Mirza, M. M. (2021).	Factors affecting the intention to adopt digital banking by digital saving customers: Case study of Syariah Mandiri Bank.	This study aimed to determine and test the factors influencing banking customer behavior when using the Digital Savings application in Indonesia.	This research was tested and analyzed by using multiple linear regression statistical tests.	The findings indicated that three factors perceived utility, attitude, and trust influenced users' intentions to utilize the digital savings program. Perceived simplicity of use, perceived control over behavior, and social influence are not major factors influencing the purpose of the Digital Savings application. However, using the digital savings program can be significantly impacted by the intention to use it.
6	Madusank	Antecedents	The main	The data was	This study showed that

	a, K. A. E., & Kumari, D.A.T. (2021).	of customer adoption on digital banking with special reference to non-banking financial institutes in Sri Lanka.	purpose of the study was to analyze the variables affecting the appropriation of digital banking among non-bank clients in Sri Lanka	analyzed by using descriptive and inferential statistical tools and PLS based SEM was adopted	perceived usefulness had a small but detrimental effect on the uptake of digital banking. Perceived security and simplicity of use also had a significant impact on the adoption of digital banking. On the other side, issues with compatibility, information quality, and customer trust significantly impacted the adoption of digital banking.
7	Idrees, M. A., & Khan, A. (2021).	Factors affecting the adoption of branchless banking in Pakistan	The main objective of the study was to identify the Factors Affecting the Adoption of Branchless Banking in Pakistan.	This study used descriptive statistic, correlation analysis and multiple regression analysis to analyze the data.	This study found that the adoption of branchless banking was significantly impacted by a number of factors, including perceived ease of use, perceived usefulness, customer awareness, lack of awareness, social influences, security, resistance to adoption, and consumer attitude.
8	Anouze, A. L. M., & Alamro, A. S. (2020).	Factors affecting intention to use e-banking in Jordan.	The purpose of this paper was to focus on e-banking in a country with low intention to use e-banking in Jordan.	The study employed SPSS and AMOS software, together with multiple regression and artificial neural networks.	The statistical methods showed that a number of important factors show out as the obstacles to intention to use e-banking services in Jordan, including perceived usefulness, security, and affordability.
9	Chang,Y. C., Enkhjargal, U., Huang, C. I., Lin, W. L., & Ho, C. M. (2020).	Factors affecting the internet banking adoption.	The study was an effort to recognize the influence of select factors like perceived ease of use, security, social influence and employee support in adoption of E-services from small finance banks customers in Karnataka.	This study used correlation and multiple regression analysis to analyze the data.	This study found that staff support, security, and perceived simplicity of use all significantly increased the adoption of online banking services. Nonetheless, the uptake of e-banking services was positively impacted by social influence, however significantly.
10	Rawwasha, H., Masa'da, F.,	Factors affecting Jordanian electronic	This study aimed to identify the factors	This study used multiple regression analysis to	This study revealed that e-banking adoption was directly and favorably impacted by perceived utility, simplicity

	Enaizana, O., Eneizana, B., Adailehb, M. J., Salehc, A. M., & Almestarihi, R. (2020).	banking services.	influencing on electronic banking services provided by Jordanian banks.	analyze the data.	of use, trust, and privacy. It was discovered that convenience has no influence on e-banking services.
11	Mohamed, M. I., Talib, Y. Y. A., Abubakar, A. H., & Ado , A. B. (2020).	Factors Influencing the Adoption of E-Banking in Somalia.	The purpose of this study was to identify the factors that determine e-banking adoption in Somalia.	This study used descriptive statistic, correlation analysis and multiple regression analysis to analyze the data.	This study demonstrated that e-banking adoption was significantly influenced by internet speed, trust, perceived utility, and convenience of use.
12	Sthapit, A., & Bajracharya, N. (2019).	Customer perception towards adoption of e-banking services in Kathmandu: A survey of business school students.	This study aimed to examine the association between the perception of business school students and their adoption of e-banking services.	By using descriptive statistics, t-test, correlation and regression	The study found that consumer perceptions of e-banking services' value, ease of use, and dangers had an influence on their uptake and usage. Perceived utility was the most influential factor among the three perception factors examined in terms of how business students in Kathmandu adopted e-banking.
13	Daka, G. C., & Phiri, J. (2019).	Factors driving the adoption of e-banking services based on the UTAUT model.	This research was conducted to determine the underlying factors that drive the adoption of e-banking services based on the UTAUT model	Data was analysed using SPSS descriptive analysis.	This study showed that the adoption of e-banking services was significantly influenced by the UTAUT elements, which were performance expectancy (PE), effort expectancy (EE), facilitating conditions (FC), and behavior intention (BI). The intention of the user to use online banking services was not significantly influenced by social influence (SI).
14	Jain, P., & Agrawal, G. (2019).	Factors affecting mobile banking adoption: An empirical study in	The aim of this study was to examine the factors which influence customers to adopt mobile	This study used regression to analyze the data.	The results found that behavioral intentions to use mobile banking were positively affected by perceived convenience, perceived utility, and perceived trust, even if

		Gwalior Region.	banking.		perceived financial expenditures were not shown to be significant.
15	Mehmood , N., Shah, F., Azhar, M., & Rasheed, A. (2018).	The factors e ffecting e - banking usage in Pakistan.	This research report tries to provide a better understanding of the usage of E-banking in Pakistan.	Empirical testing was conducted using statistical techniques such as regression and correlation.	The results of the research demonstrated that there will be an effect on the use of e-banking if consumers believe it to be positive, transactions are carried out on an easy-to-use website, customer information is secure, and there is a relationship of trust between the customer and the e-banking service provider.
16	Franksiska , R., Purwati, Y., Nugroho, P. I., & Widodo, A. (2017).	Driving and inhibiting factors of branchless banking technology adoption in rural community.	The main objective of the study was to evaluate the factors that encourage them to adopt Branchless Banking technology in Indonesian context.	Descriptive analysis was performed in order to assist interpretation and provide a meaningful description of the data.	This study found that relative advantage and complexity had an impact on Kuncen village inhabitants' acceptance of branchless banking. Compatibility, trialability, and observability are therefore obstacles to the adoption of branchless banking.
17	Sandada, M., Simbarash e, N., & Shamhuye nhanzva, R. (2016).	Determining the impact of selected success factors on the adoption of ebanking in the Zimbabwean banking industry.	The primary objective of this study was to determine the impact of the five selected success factors on the adoption of e-banking in the Zimbabwean Banking Industry.	This study used descriptive statistic, correlation analysis and multiple regression analysis to analyze the data.	The results revealed that of the five factors, only awareness and perceived usefulness exhibited a significant impact on the adoption of electronic banking in Zimbabwe.
18	El-Qirem, I. A. (2016).	Critical factors influencing e-banking service adoption in Jordanian commercial banks: A proposed model.	The purpose of this research was to evaluate the factors affecting the behavioral intention to adopt or accept of E-Banking service in the Jordanian Commercial Banks.	This study used multiple regression analysis to analyze the data.	This study found that behavioral intention to adopt financial services was directly impacted by effort expectancy, convenience, accessibility, speedy service delivery, security, privacy, trust, content, design, and simplicity of the banking website as well as anxiety, unreliability, fees and charges, and E-service quality.
19	Ali, A., Dwivedi,	Examining factors	This study aimed to	Structural equation	The results found that all predictors of behavioural

	Y., & Williams, M. (2015).	affecting customer intention and adoption of internet banking in Jordan.	propose and validate a conceptual model demonstrating the main factors predicting customers' intention and adoption of Internet banking in Jordan.	modeling (SEM) has been done to verify the suggested model and look into the study assumptions by enabling AMOS 21.	intention (BI) have been recognised as significant. TR was the most influential factor predicting BI. This study ended by deliberating the research limitations and future directions.
20	Kazi, A. K., & Mannan, M. A. (2015).	Factors affecting adoption of mobile banking in Pakistan: Empirical evidence.	The main purpose of the study was to investigate the determinants likely to influence the adoption of mobile banking services.	This study used correlation and multiple regression analysis to analyze the data.	This study demonstrated, through empirical research, that social influence, perceived risk, perceived utility, and perceived ease of use all had a substantial impact on customers' propensity to embrace mobile banking services. Social influence had the biggest beneficial effect on customers' intentions to use mobile banking services.

2.3 Research Gap

The term "research gap" describes the difference between this research and earlier research. In order to determine the scholarly significance of the research problem, a review of the literature has been conducted. This has been accomplished by analyzing prior branchless banking research, talking about the theoretical foundations and conceptual framework, and most importantly identifying the gaps in the literature. The study has integrated the several lines of research on branchless banking from the viewpoints of financial service providers and consumers.

The few studies that have been conducted for another developing countries and they have often been descriptive in nature but this no study in Nepalese perspective. Moreover, the few studies that have adopted an institutional approach have frequently depended on the opinions of bank managers gathered using formal surveys, which are subject to respondent biases. Second, the majority of earlier empirical research has examined only one type of branchless banking in isolation. A study that thoroughly captures more forms of branchless banking should be more informative and robust in

guiding public policy that seeks to incentivize bank implementation of branchless banking strategies to bolster financial inclusion. This is because there are different forms of branchless banking, and these forms suit different customer categories differently. Lastly, previous studies these independent variables (perceived usefulness, perceived ease of use, trust and perceived risk) are not studied together and also these variables are not studied with adoption and initiative of branchless banking.

CHAPTER – III
RESEARCH METHODOLOGY

Research methodology is the methodical process of resolving a problem by systematic information recording, analysis, interpretation, and reporting of the numerous facets of a phenomena under study. The research methodology for this paper describes the steps and techniques employed in each phase of the inquiry. There are five parts as research design, population and sample, and samling design nature and sources of data, and instrument of data collection, research framework and definition of variables and method of analysis.

3.1 Research Design

The study has employed descriptive and causal comparative research design. To describe the components of branchless banking initiatives, descriptive research design is used. Similarly, causal comparative research design helps to determine the relationship between dependent (branchless banking initiatives) and independent variable (perceived usefulness, perceived ease of use, trust and perceived risk). Further causal research design is used to examine the relationship and impact of different succession factors on branchless banking initiatives in Nepal.

3.2 Population and Sample, and Sampling Design

The population is the entire set of cases or groupings that are used to collect samples. The sample is the portion of the general population that the researcher has chosen to include in the investigation. The population under research consists of all branchless banking customers. A sample is a subset or a percentage of the population as a whole. The goal of sampling is to cut costs associated with time, money, and effort. The sampling technique for the study followed non-probability sampling technique i.e. convenience sampling. In this study population is infinite so the following formula is used to find out the sample size. Cochran (1977) presents the following formula for sample size working within an infinite population.

$$n = \frac{Z^2 p(1-p)}{e^2}$$

n= sample size, Z=1.96 from the normal area table, if there is population infinite then put the value of p=0.50, and e= error which is 5 percent so the value of e is 0.05.

$$n = \frac{Z^2 p(1-p)}{e^2}$$

$= 1.962 \times 0.50(1-0.50)0.052$

$= 384.1458821$

So, the sample size of the study is 384.

Convenience sampling method is used in this study because the researcher has chosen those respondents to reach and get in touch with. So, it is easy way to get information compared to other sampling methods.

3.3 Nature and Sources of Data, and Instruments of Data Collection

Primary sources provided pertinent information that was helpful in relation to that information source. The primary data source for the analysis phase of the study was also specifically selected. Bank consumers, branch managers, and supervisors of banking customer service were the respondents to the surveys and interviews that were used to gather this data, in that order. Newspapers, periodicals, essays, books in journals, and pertinent internet reading materials were among the secondary sources of information about the success elements of branchless banking initiatives in Nepal.

3.4 Method of Analysis

The purpose of the particular questionnaire created for this study is to get information from the sample. The survey employs a number of questionnaires, and a scoring system is utilized to gauge participants' opinions and points of view. On a likert scale of agreement or pleasure, respondents are asked to assess each item. Strongly disagree, disagree, agree, and greatly agree are a few examples of these. The data for this study are recorded using Excel and SPSS. Numerous statistical techniques have been applied in the study. The following statistical tools are used to analyze the case.

3.4.1 Descriptive Analysis

Descriptive statistics are used to describe the factors affecting branchless banking initiatives in Nepal and demographic characteristics of the respondents. The descriptive statistics such as mean, standard deviations, minimum and maximum values of the variables like perceived usefulness, perceived ease of use, trust, perceived risk and branchless banking initiatives in Nepalese customers.

Mean

The mean, which is determined by dividing the total number of values by the number of values, is the arithmetic mean of a range of values or quantities. It refers to the average that is examined or utilized to determine the data's central tendency. The arithmetic mean is a widely used and easily comprehended central tendency metric. To find it, add up all of the population's data points, then divide the total by the number point. The mean is used in this study to compute the average of the respondents' answers to the various variables in the Likert scale question. For every sample, the mean value of the replies to the Likert scale question is computed. In this study, the mean is computed in this study to determine the average of the respondents' answers to the various variables such as perceived usefulness, perceived ease of use, trust, perceived risk and branchless banking initiatives in the Likert scale question.

$$\text{Mean } (\bar{X}) = \frac{\Sigma X}{n}$$

Where,

$\sum X$= Value of responses of each independent or dependent variable

n = No. of observations

Standard Deviation

The standard deviation, which quantifies dispersion, can be used to describe the proportion to which a set of data values change or are distributed. It can be expressed as the variance multiplied by the positive square root. One of the standard deviation's characteristics is that it differs from variance in a meaningful way since it uses the same units of measurement as the data. There is a larger deviation within the data set if the data points deviate further from the mean. The standard deviation therefore increases as the data spreads. For each sample in this study, the standard deviation is computed based on the Likert scale replies. The standard is used to measure variation or dispersion of variables such as perceived usefulness, perceived ease of use, trust, perceived risk and branchless banking initiatives on the Likert scale responses.

$$\text{Standard Deviation (S.D.)} = \sqrt{\frac{\Sigma(X - \bar{X})^2}{n}}$$

Where,

X = Value of responses of each dependent or independent variable

$\bar{X}$ = Mean value of responses of each dependent or independent variable

n = No. of responses

3.4.2 Correlation Analysis

The correlation coefficient illustrates the relationship between two independent variables. It is a method for determining the relationship between these two variables. When there is a substantial correlation between the two variables, or when changes in the value of the independent variable also have an impact on the value of the dependent variable, a correlation coefficient is present. Correlation is estimated for Likert scale responses in order to examine the degree of association between independent such as perceived usefulness, perceived ease of use, trust and perceived risk and dependent variables i.e. branchless banking initiatives.

$$\text{Correlation Coefficient (r)} = \frac{n\Sigma XY - \Sigma X\Sigma Y}{\sqrt{n\Sigma X^2 - (\Sigma X)^2}\sqrt{n\Sigma Y^2 - (\Sigma Y)^2}}$$

Where,

X = Value of independent variable

Y = Value of dependent variable

n = Number of responses

3.5.3 Regression Analysis

Regression analysis is a statistical method for assessing the degree of relationship between one or more independent variables and one or more dependent variables. It encompasses a wide range of techniques for assessing and modeling numerous variables in order to ascertain their relationships. Based on replies on a Likert scale, regression analysis is performed in this study to ascertain the direction of the association between the independent and dependent variables for each sample. The relationship's theoretical model is represented by the equation that follows:

$IBB = \beta_0 + \beta_1 PU + \beta_2 PEOU + \beta_3 T + \beta_4 PR + \varepsilon$

Where,

IBB = Initiatives of Branchless Banking

PU = Perceived Usefulness

PEOU = Perceived Ease of Use

T = Trust

PR = Perceived Risk

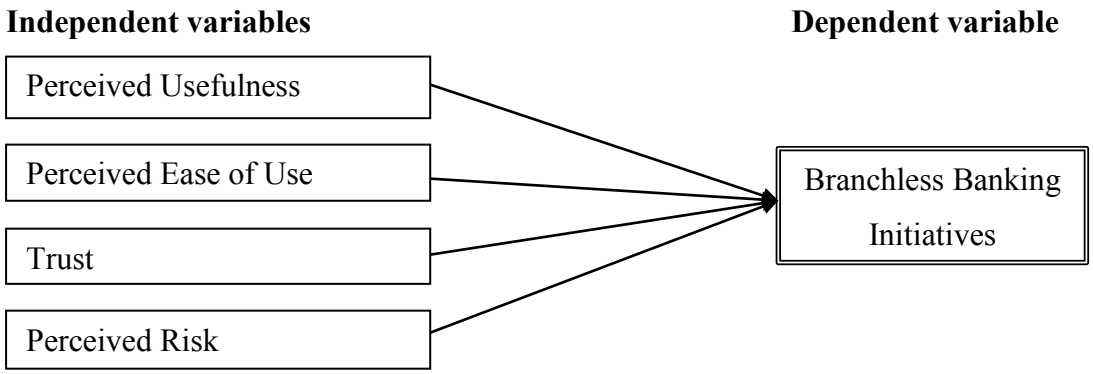
β_0 = The intercept (constant)

β_1, β_2, β_3 β_4 = Coefficient of variables

ε = Error term.

3.5 Research Framework and Definition of Variables

The research is based upon the analysis and interpretation of dependent (Branchless Banking Initiatives) and independent variables (perceived usefulness, perceived ease of use, trust and perceived risk).



Source: Kazi and Mannan (2015); Mehmood et al. (2018); Jain and Agrawal (2019); Idrees and Khan (2021).

Figure 1 Research Framework

Dependent Variable

Initiatives of Branchless Banking

In this study, the dependent variable is the initiatives of branchless banking. It's critical to comprehend how frequently clients utilize specific branchless banking services as this information gives bank management valuable insights. This is because it might show whether or not the service is adding value by satisfying consumers' wants, if they are aware of how to utilize the specific service, and whether or not it is a worthwhile endeavor to provide. Several studies used dependent variable branchless banking by Jain and Agrawal (2019); Idrees and Khan (2021).

Independent Variables

Perceived Usefulness

The user may come to feel that their system will be enhanced and made more beneficial as a result of their perception of its usefulness. Utilizing mobile banking also offers the advantage of processing financial transactions with a helpful instrument. Customers of banks are searching for the advantages and practicality of branchless banking technology, which includes apps linked to the internet and technology. Customers now lead easier lives thanks to cellphones, whether they are using them for shopping, booking, or search purposes. Mehmood et al. (2018) found that perceived usefulness had significnat positive impact on adoption of branchless banking. Likely, Jain and Agrawal (2019) concluded that perceived usefulness had significant positive impact on branchless banking.

Perceived Ease of Use

The user will increasingly adopt branchless banking and regard it as being easier to use. whether using the programs is simple and effective. One of the key elements is that consumers are more likely to perceive and utilize user-friendly programs. The customer's perception of ease of use has the power to encourage and boost usage, which promotes user friendliness and satisfaction. Users will intend to use branchless banking more frequently if they believe the mobile application is user-friendly and less complicated. Kazi and Mannan (2015) found that perceived ease of use had significant positive effect on adoption of branchless banking. Idrees and Khan (2021) concluded that perceived ease of use had significant positive influence on branchless banking.

Trust

Even if they are unable to monitor or control the conduct of the service provider, customers who utilize online banking are expressing their trust in the bank to live up to its service commitment. In order for new technologies, like branchless banking and e-commerce, to be successfully adopted, trust is a crucial resource that influences consumer impressions. Jain and Agrawal (2019) concluded that perceived usefulness had significant positive impact on branchless banking.

Perceived Risk

It is the client's irrational want to lose in order to get the intended outcome. According to the bank customer's perception, there are several types of risk involved with electronics exchanges, including financial, service performance, community, psychological, time, and physical risks. Risk is regarded to be higher with mobile banking than with traditional banking since data is exchanged via a distant network, raising concerns among users about potential hacking and other harmful attacks that might lead to the abuse of personal and financial data. Idrees and Khan (2021) concluded that perceived risk had significant positive influence on branchless banking initiatives. However, Kazi and Mannan (2015) observed that perceived risk had negative effect on branchless banking in Nepal.

CHAPTER - IV
RESULTS AND DISCUSSION

As the researcher has said in previous chapters, the main objective of this study is to analyze the success factors of branchless banking initiatives in nepal. This leads to the division of this chapter into three sections that address the conclusions and analysis of the topic. The demographic profile, descriptive, and correlation analyses of the study variables were provided in the first section; the fulfillment of the assumptions of the linear regression model was supplied in the second section; and the regression results were presented in the third section. The ratio of the supplied dependent and independent variables, as well as the data analytic procedures used for ratio scale measurement, were established for additional statistical analysis. SPSS version 26 was the statistical application used to evaluate the collected data.

4.1 Results

4.1.1 Respondents Demographic Profile

This section is concerned with the demographic analysis and interpretation of primary data gathered via surveys. In this part, the gender and age profiles of the respondents were examined. The Kathmandu Valley was home to all of the responders.

Table 2

Gender Specification

Options	No. of Respondents	Response (percent)
Male	247	64.32
Female	137	35.68
Total	384	100

Source: Opinion Survey, 2024

Table 2 shows the distribution of the respondents on the basis of gender. In this study, data from 384 respondents were collected and analyzed. 64.32 percent of responses were from men, indicating that men represent the majority of respondents who are using branchless banking services. Men compose the majority of the 384 respondents, with fewer responses than female respondents. But 35.68 percent of respondents were female when it came to different factors and its impact on branchless banking initiative in Nepal. These findings suggest that respondents who are male are more

likely than respondents who are female to use branchless banking. In this case, respondents of both gender might be identified as the main survey participants in Nepal.

Table 3

Age Description of Respondents

Options	No. of Respondents	Response (percent)
Up to 29	132	34.37
30-39	183	47.66
40 and above	69	17.97
Total	384	100

Source: Opinion Survey, 2024

Table 3 shows an age description of the respondents, indicating that 47.66 percent of the respondents are in the 30- to 39-year-old age range. Respondents who are using branchless banking aged 40 and up make up the lowest percentage of the population. Nonetheless, the bulk of responders are young. Furthermore, 34.37 percent of respondents said that they fall into one of the 29 age categories, and 17.97 percent indicate that they are 40 years of age or older. This suggests that 82.03 percent of respondents overall clientele were young, engaged, and capable of using branchless banking, among other things.

Table 4

Annual Income Description of Respondents

Options	No. of Respondents	Response (percent)
Up to Rs. 300,000	118	30.74
Rs. 301,000- Rs. 500,000	158	41.14
Rs. 501,000 and above	108	28.12
Total	384	100

Source: Opinion Survey, 2024

Table 4 displays the profile of respondents according to their income level, 41.14 percent of respondents make between Rs.301,000 and Rs.500,000. Responents who are using branchless banking more than Rs.501,000 make up the lowest percentage income category. The bulk of responders, nevertheless, are at a medium level. Furthermore, of the respondents, 30.74 percent identified as belonging to the income category up to Rs.300,000 and 28.12 percent as representing the income of Rs.501,000 and above.

Table 5

Years of Using Branchless Banking Services

Options	No. of Respondents	Response (percent)
Less than 1 year	28	7.29
1-2 years	45	11.72
2-3 years	72	18.75
3-5 years	127	33.07
More than 5 years	112	29.17
Total	384	100

Source: Opinion Survey, 2024

Table 5 also stated information on how long the respondent had been using the bank's branchless banking services. 127 respondents, or 33.07 percent, of the 384 respondents have been using the branchless services for three to five years, and 112 respondents, or 29.17 percent, have been using them for longer than five years. Further investigation revealed that of the sample, 72 respondents, or 18.75 percent, had been using the branchless banking services for two to three years, 45 respondents, or 11.72 percent, for one to two years, and the remaining 28 respondents, or 7.29 percent, for less than 1 year.

4.1.2 Descriptive Statistics Analysis

The data in this study are analyzed using the mean and standard deviation methods. A higher mean value indicates that a greater number of respondents concur that the variable may have a significant effect on branchless banking inititatives.

Perceived Usefulness of Branchless Banking Services

This section highlights the perceived usefulness of branchless banking services using descriptive analysis. There are four unique scale items in it. A 5-point Likert scale, with 1 representing strongly disagree and 5 representing strongly agree, is used to rate this idea. The opinions of the respondents are averaged and their standard deviation is calculated. The data presented below illustrates how initiative of branchless banking is impacted by perceived usefulness branchless banking.

Table 6

Descriptive Statistics of Perceived Usefulness of Branchless Banking Services

Scale Items of Usefulness of Branchless Banking Services	Mean	SD
PU1 Using Branchless Banking enhances my effectiveness and efficiency in utilizing banking services	3.7370	1.18568
PU2 Using Branchless Banking makes me easier to carry out my banking activities	3.8854	1.06812
PU3 I think, Using Branchless Banking enables me to accomplish my banking activities more quickly	3.8203	1.04544
PU4 Overall, I find Branchless Banking is useful and advantageous	3.8542	1.04448

Source: Appendix-I

Table 6 shows descriptive statistics of four different scale items of perceived usefulness of branchless banking services. The PU2 item, "Using Branchless Banking makes me easier to carry out my banking activities," became the highest mean score of all the scale items, 3.8854 with the standard deviation 1.06812 while the statement PU1 "Using Branchless Banking enhances my effectiveness and efficiency in utilizing banking services" had the lowest mean score of 3.7370 with SD 1.18568. It indicates that the majority of respondents agree that they feel easy to perform banking activites by using branchless banking services and it is very useful and advantages.

Ease of Use of Branchless Banking Services

This section examines the impact of branchless banking ease of use on initiatives of branchless banking through descriptive research. The definition of ease of use in this study consists of four statements. A 5-point Likert scale is used to measure the variable; 1 represents strong disagreement and 5 represents strong agreement. The opinions of the respondents are computed to find the mean and standard deviation.

Table 7

Descriptive Statistics of Perceived Ease of Use of Branchless Banking Services

Scale Items of Ease of Use of Branchless Banking Services	Mean	Std. Dev.
PEOU1 It is easy to use Branchless Banking to accomplish my banking activities.	3.9167	.86916
PE0U2 Interaction with Branchless Banking is clear and understandable.	3.8542	1.03191
PEOU3 The Branchless Banking site provides helpful guidelines to perform my banking activities.	3.7891	1.04459
PEOU4 Overall, I find the Branchless Banking is easy to use.	3.8568	.96833

Source: Appendix-I

Table 7 shows descriptive statistics of four different scale items of perceived ease of use of branchless banking services. “PEOU1 It is easy to use Branchless Banking to accomplish my banking activities” had the highest mean score of all the scale items, 3.9167 with the SD 0.86916. The lowest mean was found for scale item PEOU3, which states, “The Branchless Banking site provides helpful guidelines to perform my banking activities” i.e. 3.7891 and SD is 1.04459. This indicates that it is easy or convienient to use branchless banking while doing banking transactions. Respondents also believe that overall branchless banking is easy to use.

Trust of Branchless Banking Services

This section examines the level of trust of branchless banking services through descriptive research. This investigation includes four statements. A 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), is used to evaluate the variable. The opinions of the respondents are computed to find the mean and standard deviation. The standard deviation shows how the respondents' actual feelings range from their average mean, whereas the mean value indicates the average condition of their feelings. The data below illustrates how initiatives of branchless banking is impacted by trust of branchless banking services.

Table 8

Descriptive Statistics of Trust of Branchless Banking Services

Scale Items of Trust of Branchless Banking Services	Mean	Std. Dev.
T1 I believe, the Branchless Banking site is trustworthy.	3.7578	1.12933
T2 I believe, Branchless Banking keeps its promise and commitments.	3.8307	1.06450
T3 I believe, my personal information is kept confident while using Branchless Banking.	3.8411	1.10460
T4 I believe, transactions conducted through Branchless Banking are secure	3.8412	1.01594

Source: Appendix-I

Table 8 shows descriptive statistics of five different scale items of trust of branchless banking services. T4, “I believe, transactions conducted through Branchless Banking are secure,” earned the highest mean score of all the scale items, 3.8412 with SD 1.01594 . The lowest mean, 3.7578, was found for scale item T1, “I believe, the Branchless Banking site is trustworthy” with the SD of 1.12933. It is cleared that

resepondents think that whatever transact through branchless banking is secure and they also kept confident their personal information while using branchless banking.

Perceived Risk of Branchless Banking Services

This section presents the impact of perveived risk on initiatives of branchless banking through descriptive study. It makes four different claims. A 5-point Likert scale, with 1 representing strongly disagree and 5 representing strongly agree, was used to rate this idea. The opinions of the respondents were averaged and their standard deviation was calculated. The standard deviation shows how the respondents' actual feelings range from their average mean, whereas the mean value indicates the average condition of their feelings.

Table 9

Descriptive Statistics of Perceived Risk of Branchless Banking Services

Scale Items of Perceived Risk of Branchless Banking Services	Mean	Std. Deviation
PR1 I worry about, the Branchless Banking system is not secure	2.1823	1.03873
PR2 I worry about, I will lose control of my personal detail and others will misuse my data	2.0521	1.01806
PR3 I am afraid about; I will lose control of my bank account	2.1562	.99689
PR4 Branchless Banking might not perform well and create problem while doing banking transactions	2.1484	1.03533

Source: Appendix-I

Table 9 shows descriptive statistics of four different scale items of perceived risk of branchless banking services. PR1, “I worry about, the Branchless Banking system is not secure,” had the highest mean score of all the scale items, 2.1823 with SD 1.03873. The lowest mean 2.0521 with SD of 1.01806 , was found for scale item PR2, “I worry about, I will lose control of my personal detail and others will misuse my data”. It is obvious that responents worry about brancless banking is not secure. Moreover, respondents are afraid of losing control of their bank account.

Inititatives of Branchless Banking

The degree of initiatives of branchless banking is displayed in this section using descriptive analysis. It asserts four separate things. This topic was rated using a 5-point Likert scale, where 1 represents strongly disagree and 5 represents strongly agree. The standard deviation of the respondents' opinions was computed by averaging them. While the mean value represents the average state of the respondents' sentiments, the standard deviation displays how the respondents' real feelings vary from their typical mean.

Table 10

Descriptive Statistics of Inititatives of Branchless Banking

Scale Items of Inititatives of Branchless Banking	Mean	Std. Deviation
IBB1 I intend to use mobile banking in the future	3.6849	1.13440
IBB2 Using Branchless Banking is a good idea	3.8203	1.00469
IBB3 I will always try to use Branchless Banking in my daily life	3.8516	1.00201
IBB4 I believe I will use branchless banking in the future.	3.7760	1.13425

Source: Appendix-I

Table 10 shows individual scale items of inititatives of branchless banking. The item IBB3, "I will always try to use Branchless Banking in my daily life," had the highest mean value (3.8516) out of the four scale items, with a standard deviation of 1.00201. Then, with a mean value of 3.6849 and a standard deviation of 1.13440, scale item IBB1, "I intend to use mobile banking in the future," had the lowest score. The study concluded that respondents believe the they will always try to use Branchless Banking in their daily life. Additionally, users thinks using branchless banking is a good idea for payment or transaction and many more.

4.1.3 Summary of Descriptive Analysis

The mean value and standard deviation of each variable are used to analyze the success factors of branchless banking initiatives in Nepal. The data that have been gathered have been examined using descriptive analysis, which has helped with data summarization and description. Table 11 summarizes the descriptive analysis's specifics.

Table 11

Summary of Descriptive Analysis

Study Variables	N	Mean	Std. Deviation
Perceived Usefulness (PU)	384	3.8242	.83710
Perceived Ease of Use (PEOU)	384	3.8542	.75718
Trust (T)	384	3.8177	.79652
Perceived Risk (PR)	384	2.1348	.76256
Initiatives of Branchless Banking (IBB)	384	3.7832	.79635

Source: Appendix-I

Table 11 presents the results of the research findings, which indicate a high level of initiatives of branchless banking with a mean score of 3.7832 with the standard deviation of 0.79635. It demonstrates that every component of initiatives of branchless banking, which ranges from 2.1348 to 3.8542, is at a high level. Ease of use has the highest mean score of any element 3.8542 when compared to other factors like perceived usefulness, trust and perveived risk. This suggests that what the research most important factor is the ease of use of branchless banking services, as indicated by the highest mean score of 3.8542. On other words, it is clear that the majority of respondents feel that perceived ease of use of branchless service has a significant impact on their level of initiatives of branchless banking and that their own level of initiatives is high. Meanwhile, perceived usefulness (PU), perceived ease of use (PEOU), trust (T), perceived risk (PR) and initiatives of branchless banking (IBB) element got an overall mean score of 3.8242, 3.8542, 3.8177, 2.1348 and 3.7832 respectively with the standard deviation are 0.83710, 0.75718, 0.79652, 0.76256 and 0.79635 respectively.

4.1.4 Correlations Analysis

To identify the success factors influencing branchless banking initiatives, correlation analysis was performed. The link between the dependent and independent variables, namely factors and branchless banking initiatives, is displayed in the tables below. In this study, correlation analysis is employed to ascertain the relationship between the variables. The researcher found the correlation coefficient's value in this inquiry using the SPSS program. The correlation study focused on the general relationship between several variables and initiatives of branchless banking.

Table 12

Pearson Correlation Coefficients of Study Variables

	PU	PEOU	T	PR	IBB
Perceived Usefulness (PU)	1				
Ease of Use (PEOU)	.514**	1			
	(0.000)				
Trust (T)	.571**	.479**	1		
	(0.000)	(0.000)			
Perceived Risk (PR)	-.536**	-.537**	-.501**	1	
	(0.000)	(0.000)	(0.000)		
Initiatives of Branchless	.708**	.695**	.694**	-.607**	1
Banking (IBB)	(0.000)	(0.000)	(0.000)	(0.000)	

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Appendix-II

Table 12 reveals the correlation test between both dependent and independent variables using correlation coefficient matrix. Based on the correlation value between perceived usefulness (PU) and initiatives of branchless banking (IBB), which is 0.708, it is evident that there is a significant positive relationship ($P<0.05$) between the perveived usefulness of branchless banking and initiatives of branchless banking. Similarly, there is a 0.695 correlation value with a significant value of 0.000 between perceived ease of use (PEOU) and initiatives of branchless banking. This suggests that there is a strong positive correlation ($P<0.05$) between initiatives of branchless banking and ease of use of branchless banking. The correlation value between trust (T) and initiatives of branchless banking is 0.694, with significant value 0.000, indicating a high positive association ($P<0.05$) between the trust and initiatives of branchless banking. However, the correlation value between perceived risk (PR) and initiatives of branchless banking, which is -0.607 and has a significant value of 0.000, shows that there is a high negative association ($P<0.05$) between the perceived risk and initiatives of branchless banking.

4.1.5 Regression Analysis

It includes a wide range of modeling and analytic techniques for analyzing the relationship between a dependent variable (initiatives of branchless banking) and independent factors (perceived usefulness, perceived ease of use, trust and perceived risk).

Table 13

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852a	.726	.723	.41900

a. Predictors: (Constant), Perceived usefulness, perceived ease of use, trust and perceived risk
Source: Appendix-III

Initiatives of branchless banking is predicted by the model's specification of the four factors, which include perceived usefulness, perceived ease of use, trust and perceived risk. With an R square value of 0.723, the models indicate that variations in the independent variables (perceived usefulness, perceived ease of use, trust and perceived risk) explain 72.30 percent of the observed variability in initiatives of branchless banking. The other variables that account for the remaining 27.70 percent of the variance in initiatives of branchless banking are not included in the model and hence did not provide an explanation. Stated otherwise, the model fits linearly.

Table 14

Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.351	4	44.088	251.125	.000[b]
	Residual	66.538	379	.176		
	Total	242.889	383			

a. Dependent Variable: Initiatives of branchless banking
b. Predictors: (Constant), Perceived usefulness, ease of use, trust and perceived risk
Source: Appendix-III

ANOVA Table 14 depicts the overall regression model fitness for the data. It showed p-value of 0.000 which is less than 0.05 this indicates that perceived usefulness, ease of use, trust and perceived risk predicts the initiatives of branchless banking (IBB) considerably or the overall model is significant.

Table 15

Regression Coefficient of Independent Variables on Initiatives of Branchless Banking

Variables	Coefficients	t-statistics	p-value
(Constant)	.426	1.920	.056
Perceived Usefulness (PU)	.287	8.406	.000
Perceived Ease of Use (EOU)	.350	9.735	.000
Trust (T)	.305	8.790	.000
Perceived Risk (PR)	-.119	-3.268	.001

a. Dependent Variable: Initiatives of Branchless Banking (IBB) ($\alpha = 0.005$)

Source: Appendix-III

Table 15 presents the regression coefficient of independent variables perceived usefulness, perceived ease of use, trust and perceived risk and the intercept value of dependent variable initiatives of branchless banking. The usefulness of branchless banking has a coefficient of regression (β) of 0.287. It shows that adjustments to one unit of perceived usefulness of branchless banking result in an increase of 0.287 units in initiatives of branchless banking. Additionally, the fact that the perceived usefulness of branchless banking p value of 0.000 suggests that the change is statistically significant at the five percent significance level. Hence, perceived usefulness of branchless banking has significant positive effect on initiatives of branchless banking. The coefficient of regression (β) for the perceived ease of use of branchless banking is 0.350. This data indicates that if every perceived ease of use of branchless banking increased by one, initiatives of branchless banking would increase by 0.350 units. Additionally, p value of the perceived ease of use of branchless banking is 0.000 indicates that it is statistically significant at the five percent significance level. Therefore, ease of perceived use of branchless banking has significant positive effect on initiatives of branchless banking.

For the trust of branchless banking, the regression coefficient (β) is 0.305. If each trust of branchless banking increased by one, initiatives of branchless banking would rise by 0.305 units, according to this data. The trust of branchless banking p value is 0.000 shows that it is statistically significant at the five percent significance level. Hence, trust of branchless banking has significant positive impact on initiatives of branchless banking. Furthermore, for the perceived risk of branchless banking, the coefficient of regression β is -0.119. If each perceived risk of branchless banking were to increase by one, initiatives of branchless banking would decline by -0.119 units,

according to this data. The p value for perceived risk of branchless banking is 0.001, indicating that it is statistically significant at the five percent significance level. Hence, perceived risk of branchless banking has significant negative effect on initiatives of branchless banking.

4.2 Discussion

The main objective of the study is to analyze the success factors of branchless banking initiatives in Nepal. This research also highlights the association between different factors and branchless banking initiatives. Research and previous literature supports the relationship between perceived usefulness, perceived ease of use, trust and perceived risk and initiatives of branchless banking. The research literature validates that these variables directly influence initiatives of branchless banking.

The correlation analysis shows that there is significant positive relationship between perceived usefulness of branchless banking services and initiatives of branchless banking. This is consistent with the finding of Mehmood et al. (2018); Idrees and Khan (2021) which found that perceived usefulness had significant positive relationship with initiatives of branchless banking. This is also consistent with the finding of Kazi and Mannan (2015). Similarly, perceived ease of use has significant positive relationship with initiatives of branchless banking. This is consistent with the finding of Idrees and Khan (2021) found that perceived ease of use of branchless banking had significant positive relationship with initiatives of branchless banking. This is also consistent with the finding of Kazi and Mannan (2015).

At the same time, there is significant positive relationship between trust of branchless banking and initiatives of branchless banking. This result is similar with the previous study of Mehmood et al. (2018); Aziz et al. (2022) which observed that trust had significant positive relationship with initiatives of branchless banking. This is also consistent with the finding of Ali, Dwivedi and Williams (2015). Moreover, perceived risk of branchless banking has significant negativetive relationship with initiatives of branchless banking. This is also consistent with the finding of Kazi and Mannan (2015) found that perceived risk had significant negative relationship with initiatives of branchless banking. However, it contradicts with the finding of Idrees and Khan

(2021) identfied positive and significant association between perceived risk and initiatives of branchless banking.

The multiple regression analysis reveals that there is significant positive effect of perceived usefulness of branchless banking on initiatives of branchless banking. This is consistent with the finding of Mehmood et al. (2018); Mulyati et al. (2023) found that perceived usefulness had significant positive effect on branchless banking initiatives. This is also consistent with the finding of Kazi and Mannan (2015); Jain and Agrawal (2019); Rawwasha et al. (2020). However, it contradicts with the finding of Idrees and Khan (2021) concluded that perceived usefulness of branchless banking had insignificant negative impact on initiatives of branchless banking. Similarly, perceived ease of use of branchless banking has significant positive impact on initiatives of branchless banking. This is consistent with the finding of Idrees and Khan (2021) concluded that perceived ease of use of branchless banking had significant positive impact on initiatives of branchless banking. This is also consistent with the finding of Kazi and Mannan (2015); Rawwasha et al. (2020).

At the same time, there is significant positive effect of trust of branchless banking on initiatives of branchless banking which is consistent with the prior study Mehmood et al. (2018); Aziz et al. (2022) mentioned that trust of branchless banking had significant positive effect on initiatives of branchless banking. This is also consistent with the finding of Ali, Dwivedi and Williams (2015); Jain and Agrawal (2019); Rawwasha et al. (2020). This study also found that perceived risk of branchless banking has significant negative effect on initiatives of branchless banking. This is consistent with the finding of Kazi and Mannan (2015); Chi (2021) found that perceived risk had significant negative effect on initiatives of branchless banking. This is also consistent with the finding Ali, Dwivedi and Williams (2015). However, this finding is dissimilarities of previous study of Idrees and Khan (2021) which observed that perceived risk of branchless banking positive effect on initiatives of branchless banking.

CHAPTER V
SUMMARY AND CONCLUSION

5.1 Summary

Nowadays, people are always looking for new ways to utilize technology, both online and offline. They also like discovering new inventions and testing out newly produced goods and services. The majority of individuals are willing to change with the times and keep up with technological advancements in order to be relevant in the era of globalization. "Cashless Society" is one of the major causes influencing this technology. It will have an impact on people's lifestyles and the global financial sector. "Branchless Banking" has been produced in this world because businesses, organizations, and enterprises are trying to develop new technologies in this era of globalization to serve as helpful tools to make things easier and more convenient to use. Customers who are unable to visit the bank's branches can take advantage of branchless banking through an online service offered by banks and financial institutions. It expands the unbanked communities' access to financial services. Using a registered EFTPOS or tablet, the authorized agent provides the service on the bank's behalf.

The main objective of this study is to analyze the success factors of branchless banking initiatives in Nepal. The other specific objectives are to analyze the success factors of branchless banking initiatives in Nepal, to examine the relationship between branchless banking initiatives and its success factors such as perceived usefulness, perceived ease of use, trust and perceived risk in Nepal and to evaluate the impact of perceived usefulness, perceived ease of use, trust and perceived risk on branchless banking initiative in Nepal. The study has employed descriptive and casual research design. To describe the components of branchless banking initiatives, descriptive research design is used. Similarly, casual design helps to determine the relationship between dependent (branchless banking initiatives) and independent variables (perceived usefulness, perceived ease of use, trust and perceived risk). Further casual research design is used to examine the relationship and impact of different succession factors on branchless banking initiatives in Nepal. The population under research consists of all branchless banking customers and sample is 384 respondents on the basis of non-probability sampling technique i.e. convenience sampling. The main

sources of data is primary data through questionnaires. To validate the hypothesis, descriptive analysis, correlation, and regression analysis are used by using SPSS version 26.

This study shows that the majority of the respondents agreed that ease of use of branchless banking services is the factor highly affects their initiatives towards branchless banking and they believe that their initiatives of branchless banking level is also high. The correlation analysis reveals that there is significant positive relationship between perceived usefulness of branchless banking services and initiatives of branchless banking. Similarly, perceived ease of use has significant positive relationship with initiatives of branchless banking. At the same time, there is significant positive relationship between trust of branchless banking and initiatives of branchless banking. Besides these, perceived risk has significant negative relationship with initiatives of branchless banking. The multiple regression analysis shows that there is significant positive effect of perceived usefulness on initiatives of branchless banking. Likewise, perceived ease of use has significant positive impact on initiatives of branchless banking. At the meantime, there is significant positive effect of turst on initiaves of branchless banking. Moreover, perceived risk has significant negative effect on initiatives of branchless banking. Therefore, this study concluded that all the variables are major factors of branchless banking initiatives.

5.2 Conclusion

The results of the research concluded that most male respondents are more likely than female respondents to use branchless banking services. In addition to being able to use branchless banking services, the majority of respondents who use branchless banking services are frequently young, energetic adults. The majority of respondents have been using branchless banking for three to five years, and the majority of respondents are in the middle income range. Based on the survey results, the majority of respondents agreed that their personal level of initiatives with branchless banking is high and that ease of use has a significant effect on their level of branchless banking initiatives.

The correlation analysis concluded that perceived usefulness has significant positive association with branchless banking initiatives. Likewise, perceived ease of use has

significant positive relationship with initiatives of branchless banking. Then, there is significant positive relationship between trust of branchless banking and initiatives of branchless banking. Further, perceived risk has significant negative relationship with initiatives of branchless banking.

The multiple regression analysis concluded that perceived usefulness of branchless banking has significant positive impact on branchless banking initiatives. Similaly, perceived ease of use has significant positive effect on initiatives of branchless banking. Likewise, there is significant positive effect of turst on initiatives of branchless banking. However, perceived risk has significant negative effect on initiaves of branchless banking. Hence, this study concluded that perceived usefulness, perceived ease of use, trust and perceived risk are the key or success factors of initiatives of branchless banking in Nepal.

5.3 Implications

The researcher notifies the relevant bodies of the following implications based on the study's summary and conclusion.

- Based on the findings of this study, perceived usefulness, perceived ease of use, trust and perceived risk have a statistically significant influence on branchless banking initiatives. As a result, this findings and information is helpful for branchless banking providers, it policymakers, bankers to understand the customer's perspective on brachless banking aspects, therefore motivating providers to implement appropriately designed regulations that will attract customers to intense to use branchless banking services.
- Information technology has been demonstrated to increase business efficiency and service quality, drawing and keeping customers, taking into account the significance of branchless banking in the growth of service providers.
- The study is very helpful to scholars and students who want to investigate the problem further as consumers.
- Banks and other financial institutions should take advantage of the opportunities to increase brachless banking by lowering barriers, and the range of services offered by branchless banking should be broadened to include, for example, the ability to accept deposits.

- Lastly, service providers have to give more attention to the elements that most affect how satisfied customers are with branchless banking.
- With regard to branchless banking, further research should survey banks, telecommunications providers, mobile device manufacturers, and mobile companies. By incorporating these factors into the study, future researchers can obtain additional success factors from utilizing branchless banking services and improve the model's execution.

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APPENDICES

Appendix-I

Descriptive Analysis

	N	Mean	Std. Deviation
PU1	384	3.7370	1.18568
PU2	384	3.8854	1.06812
PU3	384	3.8203	1.04544
PU4	384	3.8542	1.04448
PEOU1	384	3.9167	.86916
PEOU2	384	3.8542	1.03191
PEOU3	384	3.7891	1.04459
PEOU4	384	3.8568	.96833
T1	384	3.7578	1.12933
T2	384	3.8307	1.06450
T3	384	3.8411	1.10460
T4	384	3.8412	1.01594
PR1	384	2.1823	1.03873
PR2	384	2.0521	1.01806
PR3	384	2.1562	.99689
PR4	384	2.1484	1.03533
IBB1	384	3.6849	1.13440
IBB2	384	3.8203	1.00469
IBB3	384	3.8516	1.00201
IBB4	384	3.7760	1.13425
Valid N (listwise)	384		

Source: Research Calculation by using SPSS version 26

Summary of Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
PU	384	1.00	5.00	3.8242	.83710
PEOU	384	1.00	5.00	3.8542	.75718
T	384	1.00	5.00	3.8177	.79652
PR	384	1.00	5.00	2.1348	.76256
IBB	384	1.00	5.00	3.7832	.79635
Valid N (listwise)	384				

Source: Research Calculation by using SPSS version 26

Appendix-II

Correlations

		PU	PEOU	T	PR	IBB
PU	Pearson Correlation	1	.514**	.571**	-.536**	.708**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	384	384	384	384	384
PEOU	Pearson Correlation	.514**	1	.479**	-.537**	.695**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	384	384	384	384	384
T	Pearson Correlation	.571**	.479**	1	-.501**	.694**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	384	384	384	384	384
PR	Pearson Correlation	-.536**	-.537**	-.501**	1	-.607**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	384	384	384	384	384
IBB	Pearson Correlation	.708**	.695**	.694**	-.607**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	384	384	384	384	384

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Research Calculation by using SPSS version 26

Appendix-III

Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852[a]	.726	.723	.41900

a. Predictors: (Constant), PR, T, PEOU, PU

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	176.351	4	44.088	251.125	.000[b]
	Residual	66.538	379	.176		
	Total	242.889	383			

a. Dependent Variable: IBB

b. Predictors: (Constant), PR, T, PEOU, PU

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.426	.222		1.920	.056		
	PU	.287	.034	.302	8.406	.000	.560	1.785
	PEOU	.350	.036	.333	9.735	.000	.619	1.616
	T	.305	.035	.305	8.790	.000	.600	1.666
	PR	-.119	.036	-.114	-3.268	.001	.593	1.686

a. Dependent Variable: IBB

Source: Research Calculation by using SPSS version 26

Appendix-IV

Questionnaire

Analyzing the Success Factors of Branchless Banking Initiatives in Nepal

Dear Valued Banking Customers,

I am conducting a research study on "Analyzing the Success Factors of Branchless Banking Initiatives in Nepal". I am very pleased to have you as my respondent and really appreciate your contribution to this academic exercise. Your inputs will provide the most valuable information in disseminating finding for my research project. The information given will be treated as private and confidential and will only be used for the purpose of this research only.

Sincerely yours,

Uttam Parajuli

Name of the Customer (Optional):

1. Gender

a) Male

b) Female

2. Age of Respondents

a) 20-29 years

b) 30-39 years

c) 40 and above 40

3. Annual Income

a) Up to Rs. 300,000

c) Rs. 301,000- Rs. 500,000

d) Rs. 501,000 and above

4. Since when have you been using branchless banking services?

a) Less than 1 year

b) 1-2 years

c) 2-3 years

d) 3-5 years

e) More than 5 years

Please indicate the extent of your agreement with the following statement about success factors branchless banking initiatives. Please tick "√" only one statement in each box.

1	2	3	4	5
Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree

S. N.	**Items**	**Responses**				
5.	**Perceived Usefulness (PU)**	1	2	3	4	5
5.1	Using Branchless Banking enhances my effectiveness and efficiency in utilizing banking services.					
5.2	Using Branchless Banking makes me easier to carry out my banking activities.					
5.3	I think, Using Branchless Banking enables me to accomplish my banking activities more quickly.					
5.4	Overall, I find Branchless Banking is useful and advantageous					
6.	**Perceived Ease of Use (PEOU)**					
6.1	It is easy to use Branchless Banking to accomplish my banking activities.					
6.2	Interaction with Branchless Banking is clear and understandable.					
6.3	The Branchless Banking site provides helpful guidelines to perform my banking activities.					
6.4	Overall, I find the Branchless Banking is easy to use.					
7.	**Trust (T)**					
7.1	I believe, the Branchless Banking site is trustworthy					
7.2	I believe, Branchless Banking keeps its promise and commitments					
7.3	I believe, my personal information is kept confident while using Branchless Banking.					
7.4	I believe, transactions conducted through Branchless Banking are secure					
8.	**Perceived Risk (PR)**					
8.1	I worry about, the Branchless Banking system is not secure.					
8.2	I worry about, I will lose control of my personal detail and others will misuse my data.					
8.3	I am afraid about; I will lose control of my bank account.					
8.4	Branchless Banking might not perform well and create problem while doing banking transactions.					
9.	**Initiatives of Branchless Banking (IBB)**					
9.1	I intend to use mobile banking in the future					
9.2	Using Branchless Banking is a good idea.					
9.3	I will always try to use Branchless Banking in my daily life					
9.4	I believe I will use branchless banking in the future					

Thank you for the cooperation

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