




**FACTORS INFLUENCING CLIENTS' SATISFACTION OF AGENT BANKING: AN
EMPIRICAL EXPLORATION**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 29 May 2023</p> <p>Accepted 24 August 2023</p> <p>Keywords:</p> <p>Client Satisfaction; Service Quality; Security; Transaction Cost; Trust; Convenience.</p> <div data-bbox="172 1016 480 1263" style="text-align: center;">    </div>	<p>Purpose: The prime intention of this study is to explore client satisfaction with branchless agent banking services during the COVID-19 Pandemic. The roles of service quality, security, transaction cost, trust, and convenience have been explored to assess the client satisfaction of agent banking in Bangladesh.</p> <p>Theoretical framework: The research model used in this study is based on the theory of Oliver (1980). In the model, dependent variable (client satisfaction) is measured through the service quality, security, transaction cost, trust, and convenience. Oliver (1980) claims that the customer satisfaction model explains why feelings of satisfaction occur when customers assess how well actual products or services perform in comparison to their expectations.</p> <p>Design/Methodology/Approach: The self-administered questionnaire was deployed for primary data collection purposes. A partial least square-structural equation model (PLS-SEM) analysis was performed on the 286 useable questionnaires that were returned from a total of 300 questionnaires in order to validate the model and assess the validity of the hypothesis.</p> <p>Findings: The study's conclusions showed that factors including service quality, security, trust, and convenience have a big impact on how satisfied customers are. Transaction costs don't, however, significantly affect how satisfied customers are.</p> <p>Research, Practical & Social implications: This study's findings will close the existing empirical gap by educating academics about the relationship between consumer happiness, service quality, security, transaction cost, trust, and convenience in the agent banking sector. Furthermore, it aids in their comprehension of theoretical and practical issues. Certainly, this research will serve as the basis for future research in Bangladesh in this field. The results of this investigation will have a wide range of significant ramifications for the sector.</p> <p>Originality/Value: Agent banking is not a novel concept in Bangladesh, but to the best of our knowledge, there is no literature available that uses PLS-SEM to assess rural consumers' satisfaction. This essay is a wise attempt to close that gap. The research offers some useful practical implications for agent banks to identify appropriate ways to satisfy their consumers, despite some constraints.</p> <p>Doi: https://doi.org/10.26668/businessreview/2023.v8i9.1611</p>

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FATORES QUE INFLUENCIAM A SATISFAÇÃO DOS CLIENTES COM O AGENT BANKING: UMA EXPLORAÇÃO EMPÍRICA

RESUMO

Objetivo: a principal intenção deste estudo é explorar a satisfação do cliente com serviços bancários de agentes sem filiais durante a pandemia da Covid-19. As funções de qualidade de serviço, segurança, custo de transação, confiança e conveniência foram exploradas para avaliar a satisfação do cliente de agentes bancários em Bangladesh.

Estrutura teórica: O modelo de pesquisa utilizado neste estudo é baseado na teoria de Oliver (1980). No modelo, a variável dependente (satisfação do cliente) é medida por meio da qualidade do serviço, segurança, custo de transação, confiança e conveniência. Oliver (1980) afirma que o modelo de satisfação do cliente explica por que as sensações de satisfação ocorrem quando os clientes avaliam o desempenho real de produtos ou serviços em comparação com suas expectativas.

Projeto/Metodologia/Abordagem: o questionário autoadministrado foi implantado para fins de coleta de dados primários. Uma análise parcial do modelo de equação menos quadrado-estrutural (PLS-SEM) foi realizada nos 286 questionários utilizáveis que foram retornados de um total de 300 questionários, a fim de validar o modelo e avaliar a validade da hipótese.

Conclusões: as conclusões do estudo mostraram que fatores como qualidade de serviço, segurança, confiança e conveniência têm um grande impacto no nível de satisfação dos clientes. No entanto, os custos de transação não afetam significativamente o nível de satisfação dos clientes.

Investigação, Implicações práticas e Sociais: As conclusões deste estudo irão colmatar a lacuna empírica existente, educando os acadêmicos sobre a relação entre a felicidade do consumidor, a qualidade do serviço, a segurança, o custo da transação, a confiança e a conveniência no setor bancário de agentes. Além disso, auxilia na compreensão de questões teóricas e práticas. Certamente, esta pesquisa servirá de base para futuras pesquisas em Bangladesh neste campo. Os resultados desta investigação terão uma vasta gama de ramificações significativas para o setor.

Originalidade/Valor: Agent banking não é um conceito original em Bangladesh, mas, pelo que é do nosso conhecimento, não existe literatura disponível que utilize o PLS-SEM para avaliar a satisfação dos consumidores rurais. Este ensaio é uma tentativa sábia de fechar essa lacuna. Os estudos oferecem algumas implicações práticas úteis para que os bancos agentes identifiquem formas adequadas de satisfazer os seus consumidores, apesar de algumas restrições.

Palavras-chave: Satisfação do Cliente, Qualidade de Serviço, Segurança, Custo de Transação, Confiança, Conveniência.

FACTORES QUE INFLUYEN EN LA SATISFACCIÓN DE LOS CLIENTES DE LA BANCA AGENTE: UNA EXPLORACIÓN EMPÍRICA

RESUMEN

Propósito: La intención principal de este estudio es explorar la satisfacción del cliente con los servicios bancarios de agentes sin sucursales durante la pandemia de COVID-19. Se han explorado las funciones de la calidad del servicio, la seguridad, el costo de las transacciones, la confianza y la conveniencia para evaluar la satisfacción del cliente con la banca de agentes en Bangladesh.

Marco teórico: El modelo de investigación utilizado en este estudio se basa en la teoría de Oliver (1980). En el modelo, la variable dependiente (satisfacción del cliente) se mide a través de la calidad del servicio, la seguridad, el costo de la transacción, la confianza y la conveniencia. Oliver (1980) afirma que el modelo de satisfacción del cliente explica por qué los sentimientos de satisfacción ocurren cuando los clientes evalúan cómo funcionan los productos o servicios reales en comparación con sus expectativas.

Diseño/Metodología/Enfoque: El cuestionario autoadministrado se aplicó con fines de recopilación de datos primarios. Se realizó un análisis del modelo de ecuaciones estructurales de mínimos cuadrados parciales (PLS-SEM) de los 286 cuestionarios utilizables que fueron devueltos de un total de 300 cuestionarios con el fin de validar el modelo y evaluar la validez de la hipótesis.

Hallazgos: Las conclusiones del estudio mostraron que factores como la calidad del servicio, la seguridad, la confianza y la conveniencia tienen un gran impacto en la satisfacción de los clientes. Sin embargo, los costes de transacción no afectan significativamente a la satisfacción de los clientes.

Investigación, Implicaciones prácticas y Sociales: Los hallazgos de este estudio cerrarán la brecha empírica existente al educar a los académicos sobre la relación entre la felicidad del consumidor, la calidad del servicio, la seguridad, el costo de las transacciones, la confianza y la conveniencia en el sector bancario agente. Además, ayuda a la comprensión de cuestiones teóricas y prácticas. Ciertamente, esta investigación servirá como base para

futuras investigaciones en Bangladesh en este campo. Los resultados de esta investigación tendrán una amplia gama de ramificaciones significativas para el sector.

Originalidad/Valor: El agente bancario no es un concepto novedoso en Bangladesh, pero hasta donde sabemos, no hay literatura disponible que use PLS-SEM para evaluar la satisfacción de los consumidores rurales. Este ensayo es un sabio intento de cerrar esa brecha. La investigación ofrece algunas implicaciones prácticas útiles para que los bancos agentes identifiquen formas adecuadas de satisfacer a sus consumidores, a pesar de algunas limitaciones.

Palabras clave: Satisfacción del Cliente, Calidad del Servicio, Seguridad, Costo de Transacción, Confianza, Conveniencia.

INTRODUCTION

Agent banking promotes more financial activity in remote areas of the country and improved access for the excluded, and so can help to close the financial gap between the banked and unbanked population of society (Mahmood & Sarker, 2015). Agent banking offers a restricted range of deposit collecting, loan distribution, utility bill payment, fund transfer, and remittance services. This fast expanding banking service is gradually ensuring a country's financial inclusion. This service is being implemented in over fifteen Latin American countries, as well as numerous Asian and African countries, to give financial services to the economically disadvantaged people of their communities. Bangladesh has presently implemented this service to bring its unbanked population online under the umbrella of financial services, as more than half of the country's population lacks access to financial services (Ashraf, 2022).

On December 9, 2013, the Bangladesh Bank, the country's central bank, announced guidelines on agent banking (Bangladesh Bank, 2020). Then, in 2015, two private commercial banks, Bank Asia Limited and Dutch-Bangla Bank Limited, began providing limited agent banking services. In 2016, however, the country received full-fledged agent banking services (Bangladesh Bank, 2020). Only 50% of Bangladeshi individuals have a bank account, according to the Global Findex Database 2018. Only 35% of women have a bank account, according to the survey (Uddin & Sultana, 2019). Users of agent banking obtain a limited number of banking solutions through a bank's agent, and this method is getting momentum as a cost-effective distribution channel for the bank as well as a simple way for customers to receive financial services (Hasan, 2019).

The Bangladesh Bank has granted agent banking license to 28 banks and among them 26 commercial banks are offering agent banking services in Bangladesh (Bangladesh Bank, 2020). Banks have a competitive advantage in terms of client reach, infrastructure and operational costs, deposit collection and loan disbursement, and profit margin (Ashraf, 2022). Agent banking is a method of bringing formal banking services to the doorsteps of the

underserved community on a small scale. It serves as a substitute for bank branch expansion in rural areas for banks. As of March 2021, the total number of accounts was 11,022,646 (Business Inspection, 2021). More than 53 percent of account users are men, 46% are women, and less than 1% is institutions. Bank Asia has the most accounts, accounting for 36.01 percent of total accounts. With 33.67 percent of total accounts, the Dutch-Bangla Bank is in second place (Business Inspection, 2021).

Although there are numerous studies on agent banking in Bangladesh, there are few studies on client satisfaction with agent banking in the country. Furthermore, most research (Uddin & Sultana, 2019) is based on secondary data, whereas our study is founded on both primary and secondary data. Client satisfaction in terms of service offerings is the goal of this study. Since its first appearance in 2016, the notion of agent banking is relatively new, and there has been no comprehensive study on client satisfaction with agent banking activities in Bangladesh (Parvin & Sarker, 2021). However, due to the popularity of agent banking in Bangladesh, most commercial banks are focusing on agent banking, especially in rural areas (Ahmed & Ahmed, 2018). Thus, this study aims to address a gap in the banking literature by providing empirical evidence to endorse the current body of knowledge in Bangladesh on agent banking.

LITERATURE REVIEW

Yap, Ramayah, and Shahidan (2012) define satisfaction as the general attitude a consumer has toward a service provider. Customer satisfaction is one of the important outcomes of marketing activity (Oliver, 1980; Spreng et al., 1996). Customer happiness is seen as the key to success in the cutthroat banking sector. File and Prince (1992) proposed that delighted customers improve WOM advertising by sharing their stories with others. Banks can boost their customer base in this way. Furthermore, Solomon (1996) define that customer satisfaction is what a consumer feels about a particular service or product after it has been used. It would be considered as one of the primary strategic goals to which every organization shall pay particular attention (Dabholkar, Thorpe, & Rentz, 1996). According to Hamzah et al. (2015), satisfaction is the result of a person's feelings of happiness or dissatisfaction following a comparison between their perceptions or impressions of the performance and their expectations of a product. In this case, the discrepancy between actual performance and expectations determines the degree of satisfaction. Customer discontent occurs when results fall short of expectations, according to Hidayat et al. (2015), while customer satisfaction is a complete review when the

alternatives selected at least deliver the same outcome or exceed customer expectations. Customer satisfaction can also be considered one of the elements for success in the highly competitive globalized world of business, especially in financial services (Jamal & Naser, 2002; Ladeira et al. 2016; Ozkan et al., 2019).

One of the few issues in the literature on service marketing that has been the subject of in-depth academic study for more than three decades is service quality and its effects. Therefore, a number of research have determined that service quality is a crucial factor in determining customer happiness, which in turn affects consumers' loyalty (Spreng et al., 1996; Ilias & Panagiotis, 2010; Kuo et al., 2011). Customer satisfaction, according to Parasuraman et al. (1988) and Naeem and Saif (2009), is a result of service quality. Additionally, numerous additional researchers agreed with the same (Bedi, 2010; Black et al., 2014; Kassim and Abdullah, 2010; Khan et al., 2018; Yee et al., 2010). Service quality has recently been empirically shown by Yusup (2019) to have a statistically significant impact on customer satisfaction in banking services. Service quality, according to Ali and Raza (2015), should be centered on efforts to meet customers' demands and the accuracy of delivery to balance out their expectations. Also, providing high-quality services will result in satisfied customers, which will influence the development of products and businesses (Thaker et al., 2016).

H1: There is a positive influence of service quality on client satisfaction.

Agent banking primarily uses IT-enabled hardware. To protect security, conventional banks have dedicated cyber security divisions. Agents lack the knowledge necessary to guarantee effective security in a system of financial transactions. Due to the possibility of fraud caused by device manipulation (Kazi, 2021), customers worry about security when making virtual purchases. Security, according to Ghosh and Barua (2014), is the preservation and safeguarding of data. However, due to fraud and hacking, security is actually strongly tied to both information and financial concerns (Kabir, 2013). Agent banking primarily uses IT-enabled hardware. To protect security, conventional banks have dedicated cyber security divisions. Agents lack the knowledge necessary to guarantee effective security in a system for financial transactions. As a result, if the devices are tampered with, there is a possibility of theft or fraud. Most recently, Feng et al. (2021) proved that security is statistically influencing customer satisfaction in banking services. Furthermore, Andala (2019) claimed that security variable is positively influencing customer satisfaction. Thus, hypothesis can be formed in this manner:

H2: There is a positive influence of security on client satisfaction.

Users of agent banking obtain a restricted number of banking solutions through a bank's agent. This method is becoming more and more popular as a convenient way for customers to receive financial services as well as a cost-effective distribution channel for the bank (Hasan, 2019). Deposit collection through the agent banking channel is 1 percent –1.5 percent less expensive than through conventional banking channels. Dutch Bangla Bank offers a set commission of 3 percent to its sales representatives, whereas a branch's typical operating costs are 4.5 percent. But with agent banking, cash withdrawal is completely free. Although DBBL charges 0.50 percent for cash withdrawals from countries other than the home territory of the customer's account and Bank Asia charges 0.25 percent for cash withdrawals from other banks' agent shops, withdrawals from its own territory are free (Business Inspection, Oct 17, 2021).

Price and customer satisfaction are found to be significantly correlated by Varki and Colgate (2001). Host and Knie-Andersen (2004) note that there aren't many studies that take the price effect into account when analyzing the service quality model; as a result, they included the price dimension in their research. It is recommended that price be utilized as an independent variable to define consumers' happiness because their findings show that price perceptions have a favorable impact on it. After noticing that customers are worried about the expenses of acquiring the services, Bolton and Myers (2003) concur. Fornell et al. (1996), for instance, investigated the impact of price and perceived quality on overall satisfaction in various industries. In each of the sectors examined, price plays an important role. Furthermore, in two out of seven cases price was even more important than perceived quality. In their study on the role of price in service industries, Voss et al. (1998) found that perceived performance has a stronger impact on satisfaction when there is price-performance consistency, whereas price has a greater impact when there is a price-performance inconsistency. Furthermore, Kurt, Andreas and Renzl (2006) and Bizarrias, Cucato, Strehlau, Ferreira, and da Silva (2019) empirically evidenced that price fairness is influencing positively customer satisfaction. Based on above scenario, hypothesis can be drawn in this manner:

H3: There is a positive influence of transaction cost on client satisfaction.

Trust in the banking industry refers to a bank's ability to be dependable in providing its clients with services and to be trustworthy, honest, and ethical. Studies by Singh and Sirdeshmukh (2000) and Gounaris (2005) and others reveal that trust is a key element that affects the customer's intention as well as the growth and maintenance of long-term customer relationships. The high level of trust creates the possibility for future interaction between the client and the service provider. When customers are unable to trust the bank, they are also

unable to be loyal, according to Amin et al. (2013) analysis of the importance of customer satisfaction and loyalty for Islamic banks.

According to Patrick (2002), customer trust is the idea that customers have when they believe a supplier can be trusted to behave in their best interests when they relinquish direct control. According to Morgan and Hunt (1994), trust is the belief that one party has in another because that partner is trustworthy and honest. Most recently, Andala (2019) showed that trust variable on customer satisfaction has a positive and direct value of 0.48 and t-value of 2.17. Cheston et al. (2016) indicate that worldwide banks are investing heavily in agent banking. They also described banks need to improve trust in agents and customer satisfaction. Thus, hypothesis can be written in this manner:

H4: There is a positive influence of trust on client satisfaction.

According to research on service quality, bank managers should be aware that the convenience factor may have an impact on customers' satisfaction (Levesque & McDougall, 1996). According to Berry, Seiders, and Grewal (2002), a customer's appraisal of a particular service—which takes into account satisfaction and perceived values—is influenced by how convenient the service is. The SERVQUAL model gains a new dimension—convenience added by Kumar et al. (2009). Their findings suggest that the convenience factor has a major impact on the level of service provided by Malaysian banks. In this study, convenience refers to the ease with which a bank's services can be accessed, including the bank's physical location, business hours, and availability of the full range of services. According to a recent study, timely service increases customer satisfaction from the decision convenience perspective, including convenience, accessibility, transaction convenience, benefit convenience, and post-benefit convenience (Kaura et al., 2015).

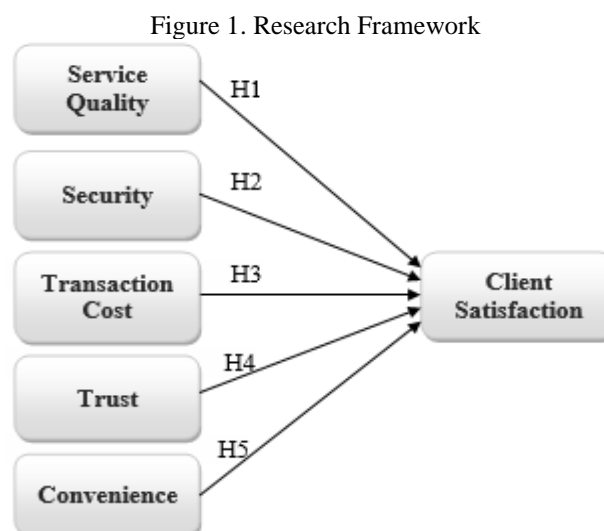
The definition of convenience for customers can be defined as anything that helps them to reduce their time and effort during the purchase process, like store accessibility and facilities, operating hours, payment conditions and seller's knowhow (Bloemer, Brijs, Swinnen, & Vanhoof, 2002). Studies conducted by Khalid et al. (2011), and Joshi and Joshi (2019) analyzed customers' behavior in banks located in Pakistan, India and USA respectively also identified convenience as an important index to obtain higher levels of perceived quality of customer satisfaction service. By understanding the needs of customers, organizations can create greater quality perception and higher levels of customer satisfaction (Roy, Lassar, & Shekhar, 2016). Service convenience is defined as: a judgment made by consumers according to their sense of control over the management, utilization and conversion of their time and effort in achieving

their goals associated with access to and use of the service (Thuy, 2011). Thus, hypothesis can be formed in this manner;

H5: There is a positive influence of convenience on client satisfaction.

Based on the literature review and theoretical underpinnings the below listed conceptual model has been formulated to judge hypothesizes. The research model used in this study, presented in Figure 1, is based on the theory of Oliver (1980). In the model, dependent variable (client satisfaction) is measured through the service quality, security, transaction cost, trust, and convenience. These predictors are also supported by several other authors documented below;

One of the most frequently cited reasons for consumers not agent banking service is the lack of trust and a level of risk. In agent banking environment, customer cannot physically contact with the banker to check the authenticity of its transaction and security of financial information (Lee & Turban, 2001). Doney and Cannon (1997) reported that most salient source of trust in agent banking is that the consumer's trust being dependent on the agent's integrity, transparency, and a sense of honesty to the customer. The study suggests that consumers' trust agent banking services is positively affected by reliability on agents of agent banking services and subsequently impacts customer satisfaction and loyalty in adopting agent banking services. Recently, Tindi and Bogonko (2017) took several predictors to explain customer satisfaction such as; convenience, agent quality and reliability. Furthermore, Zeithaml and Bitner (2012) argued that satisfaction is influenced by more than just an evaluation of service quality and that it is a much larger term. They emphasized that a customer's opinion of service quality, product quality, pricing, and situational and personal factors all have an impact on their level of happiness.



Source: Prepared by the authors (2023)

MATERIAL AND METHODS

The measurement was taken from earlier research with a few modest adjustments to match the needs of the investigation. Respondents were asked to rate their level of agreement with each statement on a five-point Likert-type scale (strongly agree: 5; strongly disagree: 1). The link between the independent and dependent variables is depicted in the study model (Figure 1) From Cronin et al., certain terms relating to service quality were incorporated (2000). The security measurement items were derived from Ghosh and Barua (2015) and Achieng and Ingari (2015). (2014). Items related to transaction costs were adopted from Host and Knie-Andersen (2004). Items for trust were adopted from Singh and Sirdesmukh (2000). Convenience was adopted from Kumar et al. (2009). With regard to client satisfaction, the items adapted from Chang et al. (2014), Oliver (1980), and Bilgihan et al. (2015). A proper pilot test was conducted for ensuring the reliability of the construct and the aptness to the research objectives. A total of 30 respondents were chosen for pilot test according to the suggestion of Browne (1995).

Initially 300 data were collected from agent bank customers who have accounts for agent banking services in four sub districts in Dhaka city through the four young university students who were hired for two-month period and provided basis training to interview rural clients of branchless banking. The instrument was written in local language (Bangla) for highest understanding then converted to English language for international readers. Though the study had the target of 80 individual clients to interview from each of the four regions, these averages could not be strictly maintained. The samples were drawn based on a random sampling procedure from the list of clients of branchless banking provided by the officer of the banking outlets located in the selected study areas. Through this approach we retained 286 samples for this study which is suitable according to the suggestion of Kline (2011). Rest of the samples was discarded due to incomplete information.

PLS-SEM was employed to determine how exogenous variables and their indicators affected satisfaction. Smart PLS has been used for data analysis. Ringle et al. first created the popular PLS-SEM software package known as Smart PLS (2005). The structural equation model (SEM) has two sub-models: an inner model that describes the link between endogenous and exogenous latent variables, and an outer model that describes the relationship between latent variables and their manifest variables.

RESULTS AND DISCUSSION

As shows in Table 1, the gender of the bank customers where 57 percent were males and 43 percent were females. The majority of them (81.8 percent) were between 18 and 38 years old. In terms of education, the highest segment is secondary education which is 37.8 percent. The majority of them (80.8 percent) were in between primary to higher secondary level. The bachelor and post graduate level education holders were only 15.3 percent. Considering the marital status, 81.8 percent are married. According to the profession, 37.4 percent were house-wife. Considering the monthly income, 88.4 percent is in between below Taka 10,000 to up to Taka 30,000. Finally, we found 93 percent customers are in Islam religion.

Table 1: Sample profile

Demographic variables	Percentage (%)
<i>Gender</i>	
Male	57
Female	43
<i>Age</i>	
18-24 years	22.4
25-31 years	33.9
32-38 years	25.5
39-45 years	13.3
46 years and above	4.9
<i>Education</i>	
No education	3.8
Class Five (Primary)	18.2
Secondary	37.8
Higher Secondary	24.8
Bachelor Degree	11.5
Post-Graduate	3.8
<i>Marital Status</i>	
Single	15.7
Married	81.8
Divorced/Separated	0.7
Window/Widower	1.7
<i>Profession</i>	
Student	11.2
Service	29.4
Self-employed (businessman or businesswomen)	22
House-wife	37.4
<i>Monthly Income</i>	
Below Tk. 10,000	43.4
Tk. 10000 – Tk. 30,000	45
Tk. 30,000 – Tk. 50,000	10.8
Above Tk. 50,000	0.7
<i>Religion</i>	
Islam	93
Hinduism	5.6
Others	1.4

Source: Prepared by the authors (2023)

We looked at the difference between the mean scores of early responders and late respondents with regard to all research components to determine whether there was any potential non-response bias in the sample (Armstrong & Overton, 1977). In this context, the first 10% of responses were deemed early responses, and the latter 10% were deemed late responses (Wang et al., 2017). For every sample, it was determined that no mean differences were statistically significant ($p > 0.05$). Thus, non-response bias is not present in the data from any of the groups.

For established scales, an item must have a 0.60 item loading in order to be considered reliable (Awang, 2012). In the first phase, Q18 and Q20 were deleted due to low factor loading. In the second phase, Q17 was eliminated due to a factor loading of less than 0.60. After deleting Q18 and Q20, the Q17 item becomes less than 0.60, even if it was actually 0.624.

To assess convergent validity, we used AVE and CR (composite reliability). According to Fornell and Larcker (1981), the value of AVE can have less than 50 percent but Hair et al. (2017) recommended that a value of AVE is at least 0.50. Based on both recommendations, the convergent validity is obtained. The composite reliability (CR) is another measure of convergent validity. It signifies that the level to which a number of items constantly point out the hidden construct. According to Hair et al. (2017), the recommended value of CR is 0.70 and higher. Based on this recommendation, again the convergent validity is established. Hence, the measurement model is suitable for Confirmatory Factor Analysis (CFA).

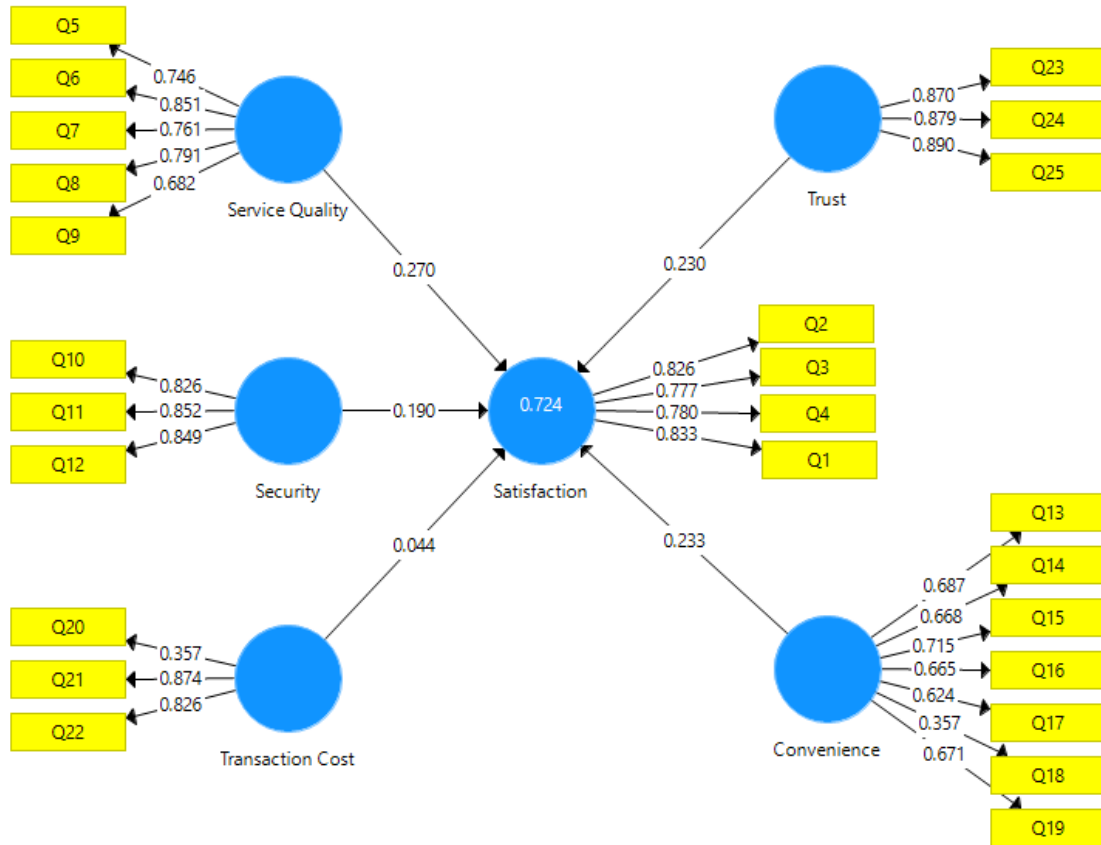
Table 2: Item loadings, Construct reliability and Convergent validity

Constructs	Items	FL	CR	AVE
Satisfaction	Q1: satisfaction with services	0.833	0.880	0.647
	Q2: prefer to make financial transaction	0.826		
	Q3: terms & conditions are acceptable	0.777		
	Q4: provides assurance on safe transaction	0.780		
Service quality	Q5: services are prompt	0.746	0.878	0.590
	Q6: employees are well-behaved	0.851		
	Q7: location is convenient	0.761		
	Q8: employees are helpful	0.791		
	Q9: face network problem	0.682		
Security	Q10: feel safe for transaction	0.826	0.880	0.710
	Q11: feel secured about sensitive information	0.852		
	Q12: does not misuse personal information	0.849		
Convenience	Q13: Agent Banking saves my time	0.687	0.830	0.494
	Q14: service is reliable	0.668		
	Q15: does not required extra time & effort	0.715		
	Q16: transaction is simple & easy	0.665		
	Q17: easily can get remittance	0.624		
	Q19: can handle large volume of transactions	0.671		
Transaction cost	Q21: cost of transaction is high	0.874	0.846	0.723
	Q22: cost of transaction is less than branch banking	0.826		

Trust	Q23: properly following terms & conditions	0.870	0.911	0.774
	Q24: Agent Banking is trustable	0.879		
	Q25: Agent Banking is reliable	0.890		

Note: FL= factor loading, CR= composite reliability, and AVE= average variance extracted
 Source: The Authors (2023)

Figure 2. Exploratory Factor Analysis (EFA)



Source: Prepared by the authors (2023).

Measurement model must be free from unnecessary items thus discriminant validity needs to be checked (Fornell & Larcker, 1981). Their recommended value between each pair of latent exogenous construct must not be surpassed 0.85. But Gold, Mathotra and Segars (2001) recommended a maximum value of 0.90. Thus, according to the above discussions the discriminant validity is achieved (see Table 3).

Table 3: Assessing Discriminant Validity (Fornell & Larcker)

Constructs	Service quality	Security	Convenience	Transaction cost	Trust
Service quality	1				
Security	0.806	1			
Convenience	0.736	0.776	1		
Transaction cost	0.813	0.849		1	

Trust	0.826	0.861	1
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Source: Prepared by the authors (2023)

After confirming measurement model valid and fully reliable, we examined the structural model. At this stage, we followed the five steps procedures suggested by Hair et al. (2017). *At first*, we assessed the existence of multi-collinearity among the predictors of client satisfaction variable through the variance inflation factor (VIF). Following Hair et al. (2010), VIF value of any exogenous variable higher than 5.0 indicates that multi-collinearity is an issue to be addressed. As Table 4 demonstrates that values of all the exogenous variables are lower than the recommended value thus multi-collinearity is not an issue for the study. *Secondly*, by utilizing bootstrap technique with 5000 samples, the statistical significance of the path coefficients was inspected. Table 4 and Figure 3 represent that two relationships are significant at $< p 0.001$ level and other two relationships are significant at $< p 0.005$ level. Only on relationship related to hypothesis H4 is not statistically significant. Tindi and Bogonko (2017) also empirically proved that service quality and convenience are influencing customer satisfaction which is similar to our study. Andala (2019) showed that trust and security are significantly influencing customer satisfaction which is absolutely supporting our study. Furthermore, Bizarrias et al. (2019) and Khadim and Islam (2022) empirically demonstrated that trust is a highly influential factor for customer satisfaction. But in respect of our findings, transactional cost is not influencing customer satisfaction that means H4 is not supported and this is dissimilar to Kurt et al. (2006). That means, customers are not bothering about cost and they are pretty satisfied about cost-performance of agent banking. *Thirdly*, R^2 values were calculated to verify the extent to which the independent variables can explain the variation in the dependent variable. The R^2 value for satisfaction is 0.722. That means, independent variables explained 72.2% variation in satisfaction.

Table 4 shows these results, which are greater than the value predicted by Cohen (1988) and Awang (2012). Fourth, we examined each predictor's sample-level f^2 value to determine how it impacted the change in the dependent variable when the predictor was dropped from the model. According to Cohen (1988), the magnitude of an independent variable's influence over a dependent variable can be classified as minor, mediocre, or big depending on whether it is 0.02, 0.15, or 0.35.

According to the Table 4, the effect size of service quality (0.086), security (0.036), convenience (0.053), transaction cost (0.005), and trust (0.087). These values are completely satisfying the requirements of Cohen (1988). Finally, we examined the predictive relevance

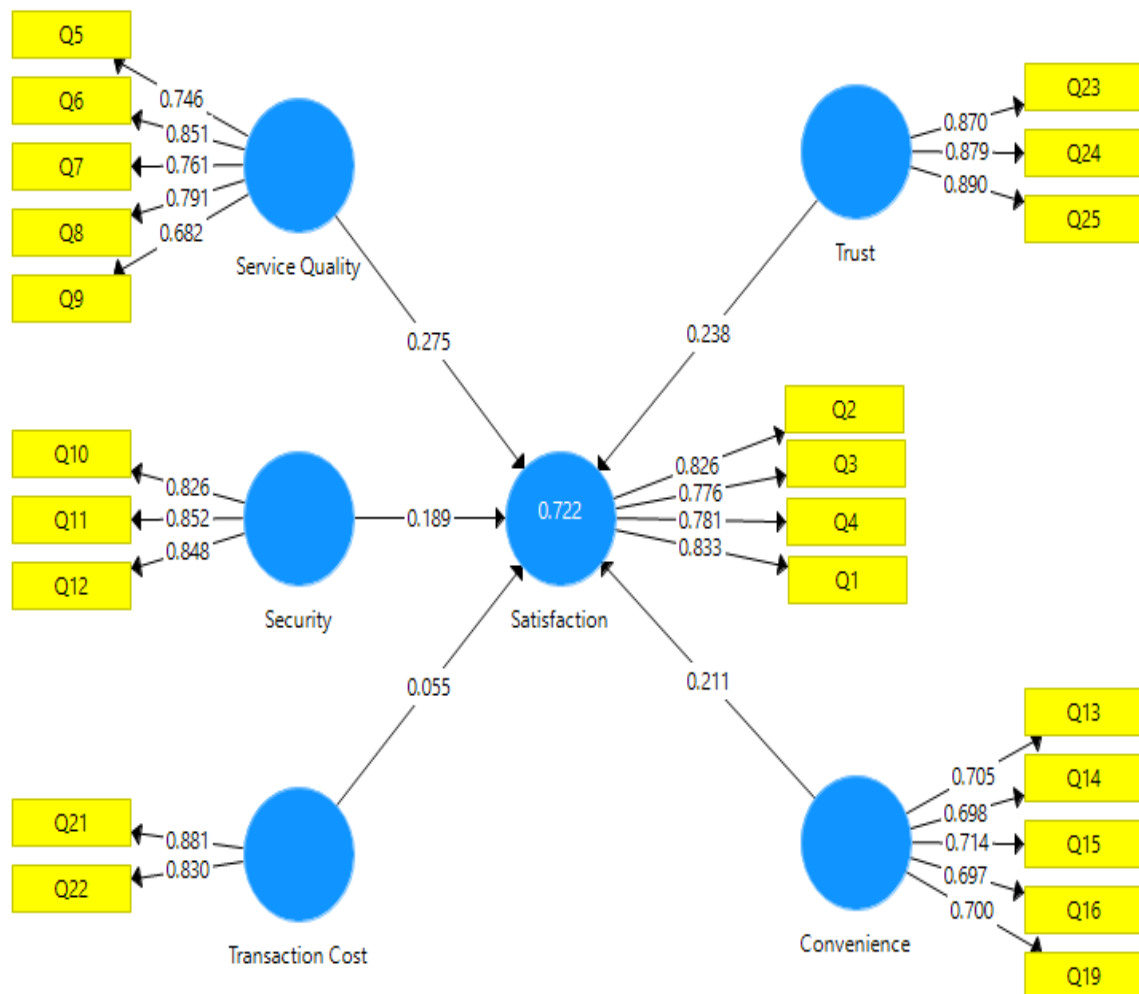
(Q^2) through the blindfolding procedure suggested by Henseler, Ringle, and Sinkovics (2009). As per the reference of scholars, the model is ensured to have a predictive relevance given that the value of Q^2 is above zero (Hair et al. 2017). Based on the outputs, the value of Q^2 for endogenous variable is 0.453 which is greater than zero thus indicating the adequate relevancy of the model.

Table 4: Outputs of the Structural Model

Hypothesis	Relationship	Beta	SE	f ²	VIF
H1	Service quality → satisfaction	0.275***	0.067	0.086	3.18
H2	Security → satisfaction	0.189**	0.061	0.036	3.52
H3	Convenience → satisfaction	0.211**	0.062	0.053	2.99
H4	Transaction cost → satisfaction	0.055 NS	0.045	0.005	2.09
H5	Trust → satisfaction	0.238***	0.050	0.087	2.33
R ²	Satisfaction	0.722			
Q ²	Satisfaction	0.453			

Note: ***p < 0.001, **p < 0.005, NS = not significant, Source: Prepared by the Authors (2023)

Figure 3. Conformity Factor Analysis (CFA)



Source: Prepared by the authors (2023)

CONCLUSION

The prime intention of this study is to explore client satisfaction with agent banking services during the COVID-19 Pandemic. The roles of service quality, security, transaction cost, trust, and convenience have been explored to assess the client satisfaction of agent banking in Bangladesh. The study prudently identified the factors influencing client satisfaction in agent banking services in Bangladesh. The result reveals that service quality, security, trust, and convenience influence client satisfaction but transaction cost is insignificant towards customer satisfaction. In spite of having some limitations, this study provides valuable insight for future researchers, academicians, and policy makers. Bangladesh has a great market for branchless agent banking because this country is densely populated and rural people have very less opportunity for conventional banking services to avail. Therefore, with proper guidelines and convenient policy can lead this market and make differentiate from traditional banking services.

This study's findings will close the existing empirical gap by educating academics about the relationship between consumer happiness, service quality, security, transaction cost, trust, and convenience in the agent banking sector. Furthermore, it aids in their comprehension of theoretical and practical issues. Certainly, this research will serve as the basis for future research in Bangladesh in this field. The results of this investigation will have a wide range of significant ramifications for the sector. Except for transaction costs, it has been found that every other factor affects customers' satisfaction. Agent banks are looking for methods to make their clients happy since happy customers are the most profitable ones. Therefore, improving service quality, security, trust, and convenience for bank customers can really increase consumer happiness with the agent banks. The results' application to other situations and the whole of Bangladesh may be restricted. It is not advisable to generalize the findings because the current study is restricted to agent banks. Replications in additional service contexts are highly preferential. The contrasts between government and private bank models can be better understood by comparing them. Additionally, creating a more complex model that includes other elements will also provide more insights.

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