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The Role of Agents in Marketing Perspective (Post Implementation Study of Branchless Banking in Mandiri Bank Semarang Pahlawan Area)

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Abstract

The research was conducted to examine the public's perception of the existence of Bank Mandiri agents in the Pahlawan area after the implementation of the branchless banking program, the effectiveness of agents, and the various challenges faced. The research was conducted with a qualitative design with 3 (three) sources of informants, namely the community (33 people), agents (20 people), and the management of Bank Mandiri in the Hero area (8 people). Based on the data that has been collected, then an analysis is carried out using qualitative techniques. The results of the study show the concept that: (1). Age 17-40 years has the potential to be 52%, high school education level/equivalent is possible 55%, private sector employment 58%, and length of time being a customer 2-10 years 56% are predicted to be able to influence public interest in using agent services. People who have/have used agent services have not been able to generate interest in transacting again in the future by up to 57%. (2). The development of agent performance in quadrant D at Region VII level in 2021 is effective, ranking 2 with the best performance achievement. Quadrant E is not yet effective because it is ranked 6th bottom out of 8 work areas. (3). The toughest internal challenge faced is the demand to prioritize the precautionary principle, and to prioritize the principle of obedience to various regulations. Limited cash reserves and agent capabilities are considered the strongest external challenges.

Keywords
Agency bank; branchless; banking.

I. Introduction

Bank Mandiri Ltd is one of state-owned enterprise that has very good performance that is listed in the top 10 market capitalization in Indonesian Stock Exchange (BEI) in 2019. On the other side, Kartika Wirjoatmodjo, Chairman of National Bank Association, stated that banking industries are facing a strict competition, therefore banks must devise strategies, one of them being able to adapt in a quick-changing situations (Sitanggang, 2020). One example related to community behavior expecting fast, comfortable, and precise services. In correspondence with this matter, government issued POJK No. 19/POJK.03 Year 2014 about Officeless Financial Service for Inclusive Finance. This means providing financial service facility without an office, also called branchless banking. This will be carried out in a collaboration with third party by signing MoU, this third party will then be called agents and using Technology Information (IT) as their method of communications. Branchless banking organizer must be able to convince and prove the security and comfortability of their services for their customers to carry out transactions.

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Based on OJK survey (2020), December 2018, and September 2019 periods stated that the development of branchless banking in national scale either for General Syariah Bank (BUS) or General Conventional Bank (BUK) are increased 14% from 34 provinces and 509 regency or city all over Indonesia. This is followed by increased number of outstanding accounts (13%) and savings account (41%). The most frequent transactions carried out by customers in Java Island are interbank transfers, cash withdrawals, wire transfer, and these are the top ranked branchless banking agent's distributions (64, 81%).

Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021) . Financial performance is a measuring instrument to know the process of implementing the company's financial resources. It sees how much management of the company succeeds, and provides benefits to the community. Sharia banking is contained in the Law of the Republic of Indonesia No.21 of 2008 article 5, in which the Financial Services Authority is assigned to supervise and supervise banks. (Ichsan, R. et al. 2021)

Mandiri Bank is divided into 12 regions, amongst them are Region VII, consisting of eight work area such as, Yogyakarta, Solo, Tegal, Purwokerto, Kudus, Magelang, and Semarang (Pemuda area, Pahlawan area). Based on Dashboard Branchless Banking Region VII position per September 30th 2020, that: Region VII is placed 1st rank nationally. 10,391 agents (regular and social assistance) Next, observed from total funding in the amount of IDR 1.09 Trillion (derived account funding agents). Observed from the amount of derived account agents up to 161,798 accounts, with 48% accounts are positioned in A-B-C quadrants, while the rest 52% are on D-E quadrants.

Data above shows that there are still a lot agents in Region VII that are on D-E quadrants. This problem is also occurring in Pahlawan Area Mandiri Bank that has low performance in terms of number of agents. Electronic Data Capture (EDC), transaction frequency, and transaction volume. This condition is supported by dashboard. Pahlawan Area has 1027 agents ranked 3rd lowest compared to five other agents. Then, the number of agents in Pahlawan Area compared to Region VII level only reaches 10% of 10,392 agents across the Region VII. Similar to Electronic Data Capture (EDC) ownership, Pahlawan Area is ranked third lowest compared to other agents in Region VII. The number of EDC owned by Pahlawan Area Mandiri Bank is 1,027 (the same number of available agents). The amount of daily transaction frequency out of 1027 Pahlawan Area Mandiri Bank agents are 40,128 transactions (month to date), this number is only 6% compared to total Region VII transactions (709,241 times). Furthermore, observed from transaction volume perspective, Pahlawan Area transaction volume is lower compared to any other areas. The transaction volume of Pahlawan Area is in the amount of IDR 26,610,000,000 and this is ranked second lowest compared to Pemuda Area. This achievement can be stated in another means of being 6% of Region VII total transaction volume (IDR 480,076,000,000).

Furthermore, Pahlawan Area Mandiri Bank performance based on Dashboard Branchless Banking Mandiri Bank Region VII per September 30th 2020 (observed from funding amount and derived accounts) is still considered low. Pahlawan Area Mandiri Bank has third lowest funding amount being IDR 88,744,000,000 and this achievement is only 8% of Region VII total funding with the amount of IDR 1,093,977,000,000. The number of derived accounts as well, that means the number of accounts created by Reguler Office Branch or Micro Office Branch of Mandiri Bank that the initial deposit is through Mandiri Agent. Pahlawan Area Mandiri Bank only has 11,550 accounts, in other words, they only have 7% of total accounts in Region VII, and placed third lowest, this is far

below Purwokerto Area being the highest. Indicators for such low performance of Pahlawan Area Mandiri Bank in Branchless Banking program can also be observed from quadrants aspect. Dashboard Branchless Banking Region VII (2020) Pahlawan Area Mandiri Bank also shows that there are still a lot of agents that are placed in D and E quadrants, having low transaction and funding counts, this means that people are still uninterested in utilizing agent services. This is proven as 566 agents (55.1%) from 1,027 Pahlawan Area Mandiri Bank trained agents are placed in D-E quadrants. D-E quadrant means that agents as business partner does not have optimal performances, this is unwanted situations. The number of Pahlawan Area Mandiri Bank agents in D quadrants are 560 agents, with <100 transaction counts, and <50,000,000 fundings. Then, 6 agents are in E quadrant, therefore this is very concerning because the rate of transaction frequency is 0 and the amount of funding is also IDR 0.

Secondary data above shows that the financial inclusion implementation through branchless banking is not always easy, even though there are a lot of earlier studies that admits this will help improving bank performance. Bizah et al (2017) in their qualitative study concluded that Zimbabwe Bank believe that the existence of banking agents can be used as a powerful method to further support financial inclusion, because there are comfortability, and cost effectivity aspects. Qualitative study was also carried out by Rush (2020), stating that banking industry in the future must change their marketing strategy through technology. Alam et al. (2020) carried out a research on 19 General Bank in Bangladesh, proving that the number of agents, and saving volume has a positive impacts towards financial performance. Malinda (2020), who carried out a survey on 348 Laku Pandai bank agents in nine different city/regency in South Sumatra Province. The result of the research concluded that financial literation and competency affects entire performances.

Otherwise, Dzombo et al. (2017) contradicts above results, in a research carried out on 42 commercial bank in Kenya. They found that the use of agency and technology tends to negatively affect financial performance of a bank. While running this program, there are a lot of obstacles as stated by Yustinus (2016) in his research about financial inclusion in Indonesia, principally, respondents residence are close to a bank office branch, but there are still less people who uses bank services. Rahayu (2018) carried out a study on 10 provinces, 22regency/city, involving 1,038 respondents, and also expressed low interests of the community in the use of financial inclusion services. As many as 233 people (22.45%) uses digital financial services, 448 people (43.16%) uses financial inclusion services, while the rest 357 people (34.39%) uses neither services, their reason being unaware of such service or has not needed such service.

Based on the problems stated above, author believes it is urgent to study about people's perception towards Pahlawan Area Mandiri Bank agents' existence post branchless banking program implementation, agent effectivity, and various obstacles faced.

II. Review of Literature

Understanding the behavior of customer has been recognized as the main theme of various study in marketing management field. The reason being this, so that marketer can anticipate the possibility that will occur on customer's reactions towards various marketing strategy that has been implemented and carried out. The purpose of this is to understand the needs and motivation of customer and upcoming future prospects (McKechnie, 2012). Theory Reason and Action (TRA) first defined by Ajzen dan Fishbein, resulted from their behavioral study using expectancy value model. Theory reason and action atau theory

reasoned of action were formulated because there were discrepancy between behavior and attitude (Otieno et al., 2016). The main purpose of theory reason and action is to understand, predict social behavior about the intention to receive or reject such behavior. With the consequences of this theory being the interpretation of social behavior on such level of individual decision making (Godin, 2014). Hypothesis of theory reason and action is that behavior can be influenced by the intention of each individuals. Furthermore, the intention itself can be caused by two factors, individual's reaction towards the result of a behavior, and external factor of social environment opinions (subjective norms). Theory reason and action has been successfully implemented in the settings of internet banking to predict behavioral and intentional performances (Al-Majali, 2011).

In the context of branchless banking program, this is related to theory agency first expressed by Jensen & Meckling (1976), where a theory about agency relations occurs because one party or more (principal) involves other party (agents) to provide various services in the name of principles. Such relations can be realized where principles provide delegation to agents for various authority in terms of decision making. This relations can be widen to a party (individuals/bureau) that utilizes agents to achieve their business targets, in which the context of this study is the bank as the principles, and agents act as bank agents. Such relationship then be implemented in the form of contracts that establishes various requirements and considerations that are mutually agreed upon, and the emerging cost also the mechanisms to resolve conflicts or problems between principal party and the agents. Agency bank is one of the strategy that reflects the model of branchless banking, where third party is involved in carrying out numerous activities that are traditionally carried out in banking hall by bank employees (Damasin, 2015). Jahan (2019) also stated that bank agents are considered as digital channel for the bank, that make it possible for customers to do transactions such as, deposit and withdrawal from their respective accounts. Banking agents itself can be a drugstore, supermarket, convenience store, lottery booth, post office and many more (Chiteli, 2013). Supported by Rahman (2016) research that to become an agent, the applicant must have a shop or a booth with a running commercial license. Furthermore, agent candidate contacts the sales manager or district manager to submit their personal information and the business they are running. Bank will then give their feedback about the decision whether the candidate fulfills the criterion or not. If a candidate fulfills the criteria, the candidate will then receive intensive training about how to provide agent services.

In correlation with agents, the concept of branchless banking was started in Southern America, especially Brazil and Mexico. Based on initial findings, branchless banking has contributed significantly towards financial inclusion implementation in numerous developed countries (Dzombo et al., 2017). Branchless banking is a distribution channel strategy used to provide financial service independent from bank branch offices (Damasin, 2015). The existence of branchless banking, most banks become innovative, due to strict competitions and the new fronts not only in banking industry but also financial industry in a broad means. Financial service provider collaborate by using partnership owned by business that has local retail that has substantial presence as main competitive strategy (Dzombo et al., 2018). Branchless banking program optimization must be able to convince the customers. This will take three aspects of trusts into considerations, they are (1) capability is a customer captioning about the capability and expertise of branchless banking services to provide expected services. (2). Honesty (Integrity), presenting the perception of customer towards an honest and fair service providers regarding the transaction conditions. (3). Goodwill is how far the provider will try to solve customers' problem and the intention to do good things for customers other than profit motives. Other

than that, it is also found that how easy the service is accessed, and the benefits customer will receive have positives impact towards customer trusts that will create the intentions to use branchless banking service more. The system quality reflects ease of usage, accessibility, the speed and endurance of the failure-less system are also taken into considerations by the customers (Chaudhry et al., 2016).

III. Research Method

This study will use qualitative study which purpose is to study natural objects, in which the author is the main data source (Sugiyono, 2018). Primary data are obtained by open and closed instrument guide interview and through three groups of informants, they are: public community (33 people), agents (20 people), and bank management or marketing (8 people). Questionnaire are provided to the public community regarding their interests, security, and service quality. Then, agents are also asked for their opinions about their knowledge, motivations, effectivity, obstacles and expectations. And then, the next groups of informants, bank managements or marketing's are asked to give their opinion about the obstacles they are facing either it is internally or externally. Qualitative method is a process of a study with inductive characteristics, obtained data must be represented in such a way that the data can be interpreted further. (Sugiyono, 2018).

IV. Result and Discussion

4.1 The Perception of Community Who Either Has Used Pahlawan Area Mandiri Bank Branchless Banking or Those Who Have Not

Solomon et al (2020) expressed that one of the most important success factor of a business is customer, through various processes, customer will determine the decision whether to buy/use a service the service/products or not, with no exception to banking business. In correlation with this matter, marketer must be able to anticipate numerous possibility that will happen, which of course preparing various marketing strategies that includes understanding customer's behavior (McKechnie, 2012). This matter goes along with the theory reason and action that understands and predicts social behavior regarding the intentions to either accept or reject the behavior itself (Godin, 2014).

In accordance with behavior, in terms of this study qualitative study through either open or closed interview regarding branchless banking program carried out by Pahlawan Area Mandiri Bank. This program is designed to provide banking service to remote villages, which up until this moment are still out of reach from the branch office services. The efforts to uphold these matters, Pahlawan Area Mandiri Bank needs a helping hand from nearby community that fulfills the requirements and are willing to become an agent. These efforts by Pahlawan Area Madiri Bank does not succeed in the first try, they are facing a lot of obstacles from the surrounding community. Village residents are having their transactions conventionally and has been very comfortable in doing so. Based on this thing, Pahlawan Area Mandiri Bank needs to carry on with the program, of course supports from the community is necessary, by putting their trusts towards the bank and in the same time are willing to use the services provided by agents in their transactions or financial managements.

Therefore, study about the community perceptions (either those who have used agents services or those who have not) Pahlawan Area Mandiri Bank after the implementation of branchless banking program. Those who have already used the service, further study to understand their willingness to keep using the service, and for those who

have not use the service, their interests or their intentions to perform a transactions through agents of Pahlawan Area Mandiri Bank. This study about the perceptions about interests, security, and service quality provided by the agents.

Perceptions about the presence of agents can be observed in terms of interest, showing the pattern of the study result that information sources can affect the knowledge level of the community. Then, the benefits or the value can also be experienced due to services provided by the agents will affect the loyalty of the customer (as shown in their willingness to use the trained agents in a long term of time). The concept of such result can be summarized as the information source becomes the mediator between knowledge and benefits or values to build loyalty.

Furthermore, perception of the community regarding the security has made a pattern in the idea that Pahlawan Area Mandiri Bank has a good image, as example they can offer problem-solving solutions, they have good technology system, hence the transaction can be performed in real time, with a various payment system, and that they provide agents close by where they live. This pattern will form a concept that the results of the study that to grow the customer trusts by using agents services, then it is possible that the trusts is influenced by images, services, information technology, and transaction pace (real time), product variants, and locations of the bank. Other than mentioned factors also need positive recommendations from the other party, this means that promotions are successful because it is carried out in mouth to mouth promotions. Satisfactory experience is also very important to determine the trusts of customers towards the trained agents of Pahlawan Area Mandiri Bank.

Results of the study about the community perception about the quality of the service they receive shows a pattern where informants are satisfied with the services they receive from Pahlawan Area Mandiri Bank trained agents. All because the services can provide comfortability and sense of security to the customer. Easy and reliable accessibility, good image of the agents, responsive, friendly, and quick services. Agents are available within the community, agent's owner is always willing to help, hence fulfilling the expectations. This pattern will then be constructed into a concept where service quality can be measured by the level of comfortability, security, accessibility, reliability, brand images, responsiveness, friendliness, quickness, location, willingness to help, and the expectation. Furthermore, all of those requires mediating factor which is the quality of the technology used that will improve the images of Pahlawan Area Mandiri Bank agents, in the end, customer satisfactory will also be improved.

Based on the pattern and the concepts about interests, safety, and service quality mentioned earlier, for community members informant group who works under a private sector industries have the tendency to be more interested to use Mandiri Bank agents. Due to their shifting works, hence the presence of agents will prove to be useful. It is also stated that the agents are way closer to their houses compared to going to the ATM, and coming to the office branch and performing their transactions through the bank tellers.

Furthermore, how long a person has been a customer potentially impact the interests to use banking service through an agent. This study shows that a person who has been a customer for 2-10 years tends to be more interested or has already used agent services. On the other hand, for a person who has been a customer for less than two years tends to not using the services provided agents. Due to long-term customers have performed a lot of transactions through the bank so that they have experienced the benefits of using banking services in their transactions, hence they are no longer in doubt of the presence of Pahlawan Area Mandiri Bank agents. While for those who only has recently had their

transaction with the bank, especially those who has lower transaction frequency, they tend to not consider the presence of such agents.

Then, the pattern of customers aged 17 - 40 years old has 52% potential, customers with high school level educations have 55% probability, private sector workers 58%, and 2-10 years long customers 56% are predicted to be able to influence the community interests to use the service provided by Pahlawan Area Mandiri Bank agents in a long term. Private sector field of work can dominate such impact. On top of that, people who uses or had used the agents services tends to not be able to grow the interests for more transactions in the upcoming future (this prediction is about 57%)

The next ideas that ages, education levels, customer's employment, and the durations of being a customer are very potential to keep using the agent's services. While those who has used such services tends to change their method of transactions or through different intermediary services. It is possible that they are still using Mandiri Bank services but they will likely to use ATM machines, going to the branch office to have a transaction through the teller, or even they will change to another bank, even people living in a remote village will rather use conventional method rather than use the bank services.

This result indicates that Pahlawan Area Mandiri Bank managements must work harder to be able to maintain their customers living in a remote village to be willing to use their agents. Considering how strict the banking competition is in terms of branchless banking, it is necessary for banks to provide services directly within the community. As example, by giving educations about how important an agent is. In addition, agents must be monitored and evaluated eventually to suit their services that fits the standards of Mandiri Bank and the community standards of an ideal banking service. Considering the fact that an agents is an extended hands of the bank itself, agents must be able to represent and obtain the community trust that will grow the interests and willingness to use the program.

4.2 The Effectivity of Pahlawan Area Mandiri Bank Agents in Marketing after the Implementation of Branchless Banking

Good performance is of course to be expected from all parties, bank is no exception. In this study, performance is observed from the effectivity of Pahlawan Area Mandiri Bank agents in performing marketing works after the implementation of branchless banking program. Based on theory agency, as stated by Margaret & Ruth (2019) agency emerges because one or more party (principal) involves other parties (agents) to provide various services in the name of principal (in this case, it is Pahlawan Area Mandiri Bank). Both parties are emphasizing on the relations between principal and the agents, therefore both parties are aligning themselves so that a delegation with a suitable requirements are met. In terms of banking, bank agency is one of the strategy that reflects the branchless banking models. Jahan (2019) also stated that bank agents are considered as the digital channel for the bank, this will allow customers to perform a transactions like deposit and withdrawals from their respective accounts.

Related to agency, the result display a concept where education level seems to affect the decision/interests to be an agent. High-school and bachelor degree education levels belong to the top category, hence agents will have the insights and are easy to learn knowledges about various new information's. This will allow them to get numerous beneficial opportunity, one of them being Mandiri Bank agents.

Then, it is necessary to review the effectivity of Pahlawan Area Mandiri Bank agents in performing marketing duties. The result of this qualitative study is that the role of Mandiri Bank trained branchless banking agents that belongs to the D-E quadrants during

2020-2021 periods, overall does not have good effectivity in marketing the program. Because the number of agents that belongs to E quadrant are increased up to 50%, while in the other hand, agents that belong in the D quadrant are improving their performances.

Moreover, the effectivity of Pahlawan Area Mandiri Bank trained agents that belong tp D-E quadrants can also be observed from Region VII scale. The total performances of agents who belong in D-E quadrants in year of 2021 (6th rank), replacing Solo Area, therefore Solo precisely has dropped one rank (initially 6th position, now 5th position). Cumulative data of D-E quadrants shows that Pahlawan Area Mandiri Bank agents compared to seven other working areas ranks third best, where on the top of the list is Pemuda Area, followed by Kudus area. Observed from the cumulative perspective of D-E quadrants, Pahlawan Area Mandiri Bank agent shows effective marketing performance.

This achievement for Pahlawan Area Mandiri Bank performance can be seen from D quadrants in the year of 2021, replacing Purwokerto that is experiencing a performance drop, being ranked third lowest. The top ranking performance is also achieved by Pemuda Area, followed by Pahlawan Area Mandiri Bank in te second place. This result shows that, the presence of D quadrant agents in the branchless banking program is considered effective.

Then, the effectivity of agents that belong in E quadrant, in the year of 2020 Pahlawan Area Mandiri Bank is a rank below Pemuda Area (highest). In addition, at the end of 2021 Pahlawan Area gets replaced by Yogyakarta area and replaces Purwokerto area that also has a performance drop. This result shows that the presence of Pahlawan Area Mandiri Bank agents that belong in E quadrant is not effective yet. The proof of this condition can be analyzed as the inability of the agents to convince the surrounding community, hence the decreased transaction numbers.

The idea to to improve the effectiveness of agents presence amongst the D-E quadrant community requires three parties, they are Pahlawan Area Mandiri Bank, Agents management, and competitor. There are means that can be carried out in order to win the competition requires well-designed agents recruitment system that is systematical with the regulations, clarity in the responsibility for employees running the branchless banking program, involvements from top management is also necessary. In addition, integrity and capability of the employee, the understanding of the services for each agents, and work ability. Furthermore, if these factors are fulfilled, bank will be able to face such strict competitions, and becoming more effective to increase the interests of community to use services provided by the bank to perform various transactions.

Numerous efforts has ben carried out by Pahlawan Area Mandiri Bank to achieve this level of performance. It can be seen from the increasing effectivity of the agents amongst the community especially in the D quadrant. One of the attempt is that the employee uses more personal approaches to the community in order to present awareness of how important bank is in a financial transactions. Furthermore, increasing training for the agents so that their knowledge is improving so the best service can be provided for the customers.

4.3 Obstacles Faced by Pahlawan Area Mandiri Bank after Branchless Banking Program Implementation

In accordance to the internal obstacles faced by Pahlawan Area Mandiri Bank after the implementation of *branchless banking* program, the obstacles are concluded into five main obstacles, they are (1). The necessity to prioritize precautionary principles, and prioritizing the principle of obedience towards numerous regulations. (2). Strategic policy regarding strict implementation, involvement of top branch managements in various

policy, and the ability to gain trusts from the community. (3). the necessity to prioritize principles of risk assessment, principles of customer confidentiality, and the ability to give educations to the community. (4). Reliability of system connectivity, clarity of key employee responsibility, the probability of losing customer information, and the ability to maintain community trust. (5). the ability to adapt towards any changes that occurs quickly is considered to be the last obstacles that the informant from the group of Pahlawan Area Mandiri Bank management staffs experienced.

As for the external obstacles, two patterns are obtained, they are (1). Limited cash reserve, and agent capability. (2). Integrity, agent goodwill, and the willingness of the community to adapt. This result also shows that the entire external obstacles can be overcome if the agents are capable to provide top quality services (as the hand extension of Mandiri Bank), then *branchless banking* will run well and succeed, hence becomes effective.

If the internal obstacles in running *branchless banking* program can be studied well, a solution that will be able to improve performance will then be found. Additionally, if the external obstacles can be received well by a reliable system, with high obedience towards regulation, improved education, monitoring and evaluation activities are succesfully conducted, and providing feedbacks on the evaluation process, a huge opportunity to be able to succeed in the competition will be guaranteed. Feedbacks given to the agents so that they know their weaknesses, so they can improve themselves..

V. Conclusion

The results of this study can be concluded that: (1). Informants from the community group that works in a private sector tends to be more interested to use the agent service (dominating over other concepts). Most 2-10 years long customers tend to be intrested and some of them has already used agent service. The chance of customers that are considered to be able to influence the community to use agent services are grouped into few category, they are, 52% chance for 17-40 years old customers, 55% chance for high school / equivalent education level customers, 58% for private sector industry worker, and 56% chance for 2-10 years long customers. Customers who had already used agent service tends to not be able to grow the interests of performing transactions in the future (the predictions has up to 57% probability). (2). The effectivity of agents can be observed from the scale of cumulative D-E quadrants of Region VII, this shows that Pahlawan Area Mandiri Bank compared to seven other areas is placed third best, this means the performance is effective. (3). The toughest internal obstacle is the necessity to prioritize principles of precautionary, and the principles of obedience towards numerous regulations. Limited cash reserve and agent capability are considered to be the external obstacles that needs to be prioritized to be overcome.

Policy implications from this study is to reduce the number of agent who operates close to the office branch, this is to avoid new D-E quadrants agent. Conducting funding development for agents in D-E quadrants, improving security system coverage for customers (both identity and transactions). Service improvements, expanding collaboration network, as example with Micro Financial Instituion (LKM) can also be implemented. Providing facilitation for agent regarding promotions and socializations for community and conducting scheduled monitoring and evaluation activity consistently regarding agent performance in providing related service in correspondence to SERVQUEL principles or capital ability.

Theoretical contributions that : (1) Interesting thing about this study is that customer who has used Pahlawan Area Mandiri Bank trained agent is unable to grow the interests to perform more transactions in the future(up to 57% probability). This result can be concluded that if the interest of the community to use agent service in the long term is still relatively low. This result is also in correspondence to the conclusion of research carried out by Yustinus (2016) and Rahayu (2018) stating that the number of people in the community that uses the bank agent service is still low (2). Pahlawan Area Mandiri Bank trained agents that belong to D-E quadrants has good effectivity in running the branchless banking program in the year of 2020 – 2021 period. This is in accordance to the study carried out by Alam et al. (2020), Malinda (2020), Dzombo et al. (2018) stating that the presence of agent can contribute to bank performance improvement (3). Regulation and constantly improving reliability has the highest urgency in delivering the success of branchless banking program success. This reality is in accordance to Mungai (2019) study in which he stated that one of the obstacles of the branchless banking program is reliability and operational can affect the maximum achievement of bank performance, therefore bank must obey the regulations and improve their reliability.

The limitations of this research are as follows, (1). Research instruments are only in form of questionnaire with open and closed questions. Even so, most informants responded to open questions, but it would be better if open interviews are carried out, in order to obtain deeper understanding and wider concepts of the results, therefore it will bring more information to be developed in the further research. (2). Subjects of this research are people in the D-E quadrant community, this also provides another difficulties in data collection process, because most informants less likely care about the benefit of this study, this will then affect the service evaluation of Pahlawan Area Mandiri Bank. (3). Research is only designed to focus on the qualitative aspects, therefore obtained conclusion would only be conceptual conclusion, even though there are quantitative data, they are only used as a supporting data for statistic descriptive analysis.

It is recommended for future research agenda that: closed or open interview guides must only be covering the outline of the topics, this will lead to researcher being able to develop their questions during their interviews to obtain deeper and wider concepts. In relation to data collection, so that the informant has the understanding that the result of the study is also beneficial for customers/community, it will be better to invite the interviewee to gather and giving them educations about the research. For further research that will develop quantitative study, it is recommended to verify the hypothesis of the concepts obtained from the result of this study.

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