

## INVESTIGATING THE IMPACT OF ICT-ENABLED BUSINESS CORRESPONDENT MODEL ON FINANCIAL INCLUSION

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**ABSTRACT.** In India, the business correspondent model was introduced to improve banking outreach in remote and rural areas. Although the BC Model struggled in the initial years, but in the last decade it has made continuous strides and currently provides banking services in more than 95% of villages in India. This research paper is targeted at investigating the impact of the BC Model on financial inclusion. To fulfill this objective, firstly, on the basis of theoretical support, we identified the factors that affect the usage of banking services through the business correspondent agents and then the impact of the identified factors on the banking usage behavior have been empirically tested using PLS-SEM. The findings reveal that the affordability of banking services at BC point, proximity of BC agents and time saved in accessing banking services through BC agent exerts a significant positive impact on banking usage behavior.

### 1. INTRODUCTION

Financial inclusion has emerged as a critical factor for economic growth (Ghosh 2011; Chatterjee 2020; Dahiya and Kumar 2020), poverty reduction (Burgess and Pande 2005), and overall socio-economic development. It is important, especially for developing countries, as it can help them in generating employment opportunities (Cull, Demirgüç-Kunt, and Lyman 2012), reduce income inequality (Mushtaq and Bruneau 2019; Neaime and Gaysset 2018; Tchamyou, Erreygers, and Cassimon 2019), and improve the pace of economic development of the country. Providing access to basic banking services, such as savings accounts, credit, and insurance, can help individuals and small businesses to better manage their finances, access credit, and invest in productive endeavors. Thus, promoting financial inclusion is an important policy objective worldwide.

Technological advancement and the increasing availability of the internet and mobile devices have made it possible to provide banking services in a cost-effective manner. Nevertheless, financial inclusion still remains a significant challenge, particularly for vulnerable groups such as women, illiterate individuals, and the poor (Cámara, Tuesta, and Pablo Urbiola 2015; Abhishek Kumar, Pal, and Pal 2019). While technology has made it possible to provide banking services in a cost-effective manner, the cost of smartphones and internet recharge is high enough to render it unaffordable for the poor and marginalized, as well as the lack of digital literacy, poses significant barriers to financial inclusion for these groups. As a result, they continue to

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face exclusion from the formal financial system and the benefits that it offers. The persistence of these barriers underscores the need for targeted policies and interventions that address the specific needs of these vulnerable groups, one such policy is the Business Correspondent (BC) Model. Many studies confirmed the suitability of the BC model in serving poor, marginalized, and remote regions (Mahajan and Kaler 2013; Vasudevan and Podar 2008).

This model is also known as branchless banking and has gained traction in recent years. The BC model attracted the attention of policymakers and researchers due to its effectiveness and success in improving banking outreach. All over the world, many countries, to name a few Brazil, Kenya, the Philippines, Bolivia, Uganda, and Indonesia, have experimented with the branchless banking model for providing banking services to the poor and marginalized. In India also the Business Correspondent model was initiated in 2006, and recently technological advancement and many government policies such as Direct Benefit Transfer, Pradhan Mantri Jan Dhan Yojana, and Aadhaar enabled Payment System have provided a thrust to the growth of this model.

BC Model involves engaging intermediaries to provide financial services on behalf of formal financial institutions. The aim of the model is to provide banking services in unserved or underserved areas. For banks, this model has played a significant role in improving banking outreach (Ananth and Öncü 2014) and “it can be utilized to deliver last-mile banking services to the rural community in a cost-effective and sustainable manner” (Pinto, Arora, and Roy 2020). This model eliminated the entry barrier for banks that they face in the establishment of brick-and-mortar bank branches in rural and less populated locations (Anjali Kumar et al. 2006; Assunção 2013). With the help of the BC Model banks can expand their reach and presence in remote areas without having to incur the high costs associated with setting up physical branches (Kolloju 2014). This not only helps banks to reduce their operating costs (Anjali Kumar et al. 2006; Mas 2009) but also serves as a means of accelerating financial inclusion, as it makes banking services more accessible to people living in rural and geographically isolated regions. This is an innovative strategy to achieve financial inclusion as well as a cost-effective and sustainable way of delivering financial services in hard-to-reach rural areas (Pinto, Arora, and Roy 2020). This model has the potential to bridge the gap between excluded populations and formal financial systems, leading to improved access and usage of financial services.

Although the BC model has gained recognition as a key strategy for promoting financial inclusion in India, and many studies as well as committee reports have highlighted the significance of the BC model in improving access to financial services, there is a dearth of empirical research on its impact on financial inclusion. Against this backdrop, this study aims at conducting an empirical investigation of the impact of the BC model on financial inclusion in India. This study seeks to provide empirical validation of the important role of the BC model in promoting financial inclusion. The findings can help policy decisions on the future implementation and expansion of the BC model and contribute to the development of effective strategies for improving financial inclusion in India.

## 2. REVIEW OF LITERATURE

The Business Correspondent Model was implemented in India with the objective to further financial inclusion and to increase the outreach of banking institutions (Bhaskar 2009). The BC model has reduced the cost of serving the poor and marginalized (Anjali Kumar et al. 2006; Mas 2009). This model utilizes the existing infrastructure leading to a substantial reduction in the cost incurred in establishing bank branches thereby eliminating entry barriers for banks (Anjali Kumar et al. 2006; Assunção 2013). Due to the effectiveness of the BC model in profitably serving the low-income population and remote areas, it has assumed greater prominence over the traditional brick-and-mortar branches and now BC agents are increasingly being used to provide access to banking services, especially in remote and rural locations (Ananth and Öncü 2014). “Empirical evidence suggests that the BC model plays an important role in the outsourcing of financial services by mainstream financial institutions” (Das and Laha 2020). As a result, BC

Model, from being an alternate delivery channel, emerged as a predominant delivery model for serving unserved and underserved areas (Phukan et al. 2021).

Studies suggest that the BC model provides its users with easy and simplified access (Anjali Kumar et al. 2006) to banking services and reduces the time taken and cost incurred to visit a bank branch (Anjali Kumar et al. 2006; Mas 2009; Cámara, Tuesta, and Pablo Urbiola 2015). Additionally, its users enjoy convenient access to banking services (Mas 2009), flexible operating hours, and ease of receiving different social benefits (Anjali Kumar et al. 2006). Renuka (2015), argued that all these characteristics along with the proximity of BCs, all day availability of BC agents, and their responsiveness to customer needs motivate individuals to open accounts through BC agents. Similarly, Roy (2020) found that the presence of BC agents significantly affects the use of banking services.

Empirical evidence also suggests that the BC model has a positive impact on the saving among the poor (Kochar 2018) and positively affects local socio-economic development (Diniz et al. 2012; Christopoulos, Farias, and Marques 2015). Recently Pinto, Arora, and Roy (2020) found that female SHG members working as BC agents have improved bank account usage by women in particular and the rural community in general.

There are many studies and policy papers at the national and international levels regarding different facets of the BC Model. Emphasizing its vital role and need in the domain of financial inclusion, especially for serving poor, marginalized, and remote areas. However, during the review of the literature, we have not found any empirical study except the study conducted by Shafi M.K and Reddy (2022) assessing the impact of the BC model on Financial Inclusion. However, the study used bank account opening as a proxy of financial inclusion, but only having a bank account is not the real indicator of financial inclusion (Gwalani and Parkhi 2014). It was suggested to use the usage of banking services as a more realistic indicator of financial inclusion (Cámara, Tuesta, and Pablo Urbiola 2015; Roy 2020). Against this backdrop, this study assesses the impact of the BC Model on financial inclusion thereby providing empirical validation to the role of the BC Model in promoting financial inclusion. This study can provide valuable insights into the effectiveness of the BC model in achieving its objectives and can help policymakers and other stakeholders to make informed decisions about its future implementation and expansion. By examining the impact of the BC model on financial inclusion (usage), the study can shed light on the extent to which the BC model has contributed to improving financial inclusion in India.

### 3. HYPOTHESIS DEVELOPMENT

Distance from formal financial institutions works as a barrier to financial inclusion (Beck, Demircuc-Kunt, and Martinez Peria 2007; Massara and Mialou 2014; Nandru and Rentala 2020). The BC model was primarily implemented to increase the banking outreach (Bhaskar 2009) and provide banking services at the doorsteps of users. Renuka (2015) argued that the proximity of BC agents motivates users to open an account through them, similarly Cámara, Tuesta, and Pablo Urbiola (2015) argued that the proximity of banking service providers is related to extending financial inclusion. Therefore, we propose that the proximity of BC Agent positively affects the banking usage behavior of users consequently improving financial inclusion. The hypothesis proposes that the closer the BC agent is to the user, the more likely they are to use banking services. Therefore, we hypothesize that:

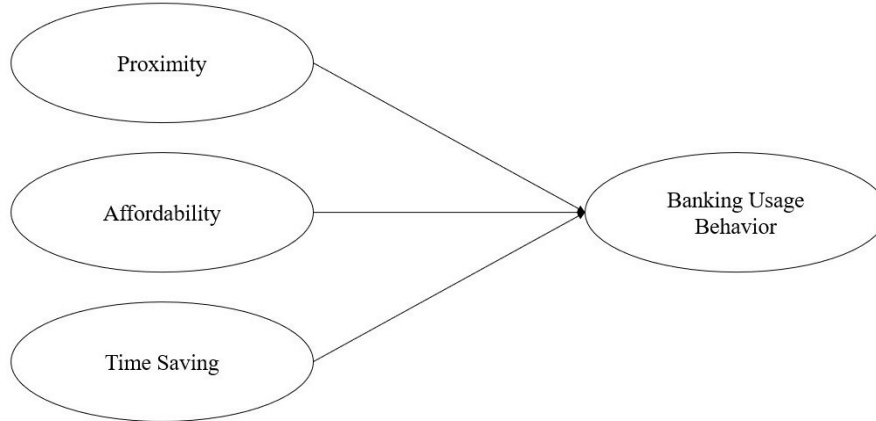
**H1: Perceived Proximity to BC agent positively affects Banking Usage Behavior of individuals.**

Providing financial services to the poor and marginalized section is indeed difficult. On the one hand, these people require frequent and small-value transactions which are not viable for bank branches; further bank branches cannot viably operate in less populated areas (Mas 2009; Dermish et al. 2011). On the other hand, poor people cannot afford the cost of having a smartphone and the cost of the internet leaving them excluded from formal banking. However, BC Model is intended to deliver banking services in remote and rural locations and the system

is designed specially to facilitate small-value transactions (Mas 2009). They provide banking services at the doorstep or near the house removing the cost of making a trip to the bank thereby saving money and time. Therefore, we hypothesize that:

**H2: Perceived Affordability of banking services provided by BC agents has a positive impact on the Banking Usage Behavior.**

**H3: Perceived Time-saving in using banking services at BC point has a positive impact on the Banking Usage Behavior.**



**Figure 1: Conceptual Framework**

#### 4. METHODOLOGY

For the purpose of this research paper, an interviewer-administered questionnaire is designed and a survey is conducted in different districts of Uttar Pradesh. The questionnaire is divided into two sections; the first section is intended to acquire the demographic details of the respondents (age, gender, education, location), and the second section is aimed at capturing the perception and behavior of users. For the purpose of capturing perception and behavior, 20 questions (five for each factor) were asked on a five-point Likert scale from people who use the services of BC agents for accessing banking services. The users were asked to select their level of agreement or disagreement with the statements provided in the questionnaire. A total of 250 respondents were surveyed in Uttar Pradesh both from rural and urban locations. After removing incomplete and inconsistent responses a total of 214 usable responses were left for further analysis. The study uses Structural Equation Modeling (SEM) to test the hypothesized relationships. It is a statistical method used to analyze the relationships between multiple variables and to test both the direct and indirect effects of multiple variables on an outcome variable of interest in a complex system. It is widely used in social sciences, psychology, and other fields to test hypotheses and examine the underlying structure of a phenomenon. It combines factor analysis and regression analysis to estimate the magnitude and direction of relationships between variables.

In the case of SEM, Hair Jr et al. (2021) recommended that a sample size of 10 times the number of arrows to a particular factor is deemed adequate. The current study has three arrows pointed at the dependent variable therefore a sample of 30 would be adequate, and the obtained 214 responses far exceed the minimum required limit and were considered adequate for further analysis. Before further analysis, the data were analyzed for normality using SPSS. The results indicate that the data were not normally distributed. Rendering PLS-SEM as the preferred choice for further analysis. In the case of small sample-sized and non-normal data, the use of PLS-SEM is suggested (Hair Jr et al. 2021). Moreover, PLS is preferred in the case of exploratory research. Therefore, SmartPLS version 4 is used for further analysis.

5. DATA ANALYSIS

Before moving on to the hypothesis testing the structural model was tested for convergent and discriminant validity. Following the recommendations of Hair Jr et al. (2021), the study uses outer loadings, Cronbach’s alpha, composite reliability, and average variance extracted for testing convergent validity and Fornell-Larcker criterion and HTMT ratios for testing discriminant validity. Additionally, items were also tested for multicollinearity. After confirming the validity and reliability of the model, bootstrapping was performed to assess the significance and robustness of the findings.

**5.1. Measurement Model.** The measurement model was subject to the validity and reliability test. To confirm the validity of the model first of all outer loading of the constructs was examined. The outer loadings represent the strength of the relationship between each item and its underlying construct. Table 1 provides the outer loadings for the four constructs that were examined in the study: affordability, proximity, time-saving, and usage behavior. It can be observed in Table 1 that all the outer loading values were above the threshold limit of .7 suggested by Hair Jr et al. (2021). The table shows that all items have high outer loadings on their respective constructs, indicating a good fit between the items and their underlying constructs. This suggests that the constructs are valid and reliable measures of the concepts they are intended to represent.

**Table 1: Outer Loadings**

|                              | Affordability | Proximity | Time-Saving | Usage Behavior |
|------------------------------|---------------|-----------|-------------|----------------|
| AFF1                         | 0.818         |           |             |                |
| AFF2                         | 0.813         |           |             |                |
| AFF4                         | 0.813         |           |             |                |
| AFF5                         | 0.765         |           |             |                |
| Prox1                        |               | 0.861     |             |                |
| Prox2                        |               | 0.821     |             |                |
| Prox3                        |               | 0.852     |             |                |
| Prox4                        |               | 0.849     |             |                |
| Prox5                        |               | 0.795     |             |                |
| TS1                          |               |           | 0.875       |                |
| TS2                          |               |           | 0.827       |                |
| TS3                          |               |           | 0.848       |                |
| TS4                          |               |           | 0.849       |                |
| TS5                          |               |           | 0.882       |                |
| UB1                          |               |           |             | 0.888          |
| UB2                          |               |           |             | 0.861          |
| UB3                          |               |           |             | 0.835          |
| UB4                          |               |           |             | 0.863          |
| UB5                          |               |           |             | 0.888          |
| Source: Authors’ compilation |               |           |             |                |

After confirming the consistency through outer loadings, the values of Cronbach’s alpha, composite reliability, and the average variance extracted were also examined. Table 2 provides information on the reliability and validity of the measures used in the study. The table reports four measures of reliability: Cronbach’s alpha, composite reliability (rho\_a), composite reliability (rho\_c), and the average variance extracted (AVE). Cronbach’s alpha is a measure of internal consistency reliability, which indicates the extent to which the items within a construct are related to each other. The table shows that Cronbach’s alpha values for all constructs are above the acceptable threshold of 0.70, indicating good internal consistency reliability. Composite reliability (rho\_a) and composite reliability (rho\_c) are measures of construct reliability, which indicate the extent to which the items within a construct measure the same underlying

concept. The table shows that both composite reliability values for all constructs are above the acceptable threshold of 0.70, indicating good construct reliability.

The average variance extracted (AVE) is a measure of convergent validity, which indicates the extent to which the items within a construct are related to each other and to the construct itself. The table shows that all constructs have AVE values above the acceptable threshold of 0.50, indicating good convergent validity. Overall, the results suggest that all the values presented in Table 2. were within the limits prescribed by Hair Jr et al. (2021), confirming the convergent validity of the model and the measures used in the study are reliable and valid indicators of the concepts they are intended to measure.

|                | Cronbach's | Composite           | Composite           | The average variance |
|----------------|------------|---------------------|---------------------|----------------------|
|                | alpha      | reliability (rho_a) | reliability (rho_c) | extracted (AVE)      |
| Affordability  | 0.819      | 0.841               | 0.878               | 0.644                |
| Proximity      | 0.892      | 0.897               | 0.921               | 0.699                |
| Time-Saving    | 0.909      | 0.910               | 0.932               | 0.734                |
| Usage Behavior | 0.918      | 0.921               | 0.938               | 0.753                |

Source: Authors' compilation

Moving forward we tested the discriminant validity of the model using the heterotrait-monotrait (HTMT) ratios and the Fornell Larcker Criterion. Table 3 provides information on the discriminant validity of the measures used in the study. The table presents the HTMT matrix, which assesses the extent to which the constructs are distinct from one another. As can be observed in Table 3 that all the values are below the threshold limit of .9 suggesting that the measures used in the study have good discriminant validity.

|                | Affordability | Proximity | Time-Saving | Usage behavior |
|----------------|---------------|-----------|-------------|----------------|
| Affordability  |               |           |             |                |
| Proximity      | 0.223         |           |             |                |
| Time-Saving    | 0.284         | 0.645     |             |                |
| Usage Behavior | 0.332         | 0.629     | 0.724       |                |

Source: Authors' compilation

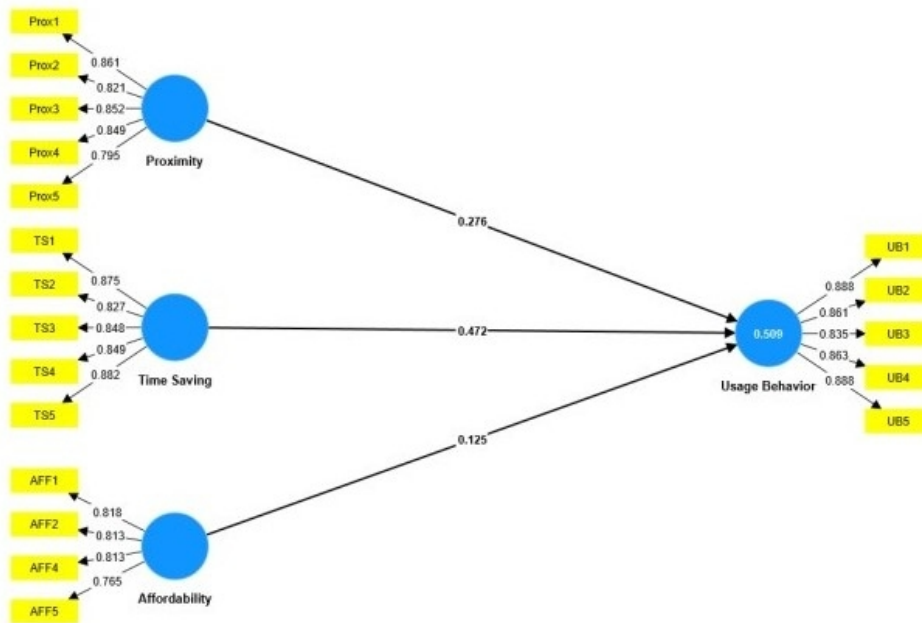
To be on the safer side, discriminant validity of the construct was also tested through Fornell Larcker Criterion. Table 4 presents a correlation matrix showing the correlation between each pair of constructs, along with the square root of the AVE for each construct. The Fornell-Larcker criterion suggests that the AVE for each construct should be greater than the correlations between that construct and any other construct in order to establish discriminant validity. In Table 4, the diagonal elements represent the square root of AVE for each construct. The off-diagonal elements represent the correlations between pairs of constructs. The results show that the AVE values for each construct are greater than the correlations between that construct and any other construct, providing support for discriminant validity. It can be observed that the AVE value for affordability is 0.802, which is greater than the correlation between affordability and proximity (0.191), and the correlation between affordability and time-saving (0.259). Similarly, the AVE value for user behavior is 0.867, which is greater than the correlation between usage behavior and any other construct. The results suggest that the measures used in the study have good discriminant validity, indicating that they are measuring distinct constructs and not overlapping with each other.

**Table 4: Discriminant Validity Fornell Larcker Criterion**

|                | Affordability | Proximity | Time-Saving | Usage Behavior |
|----------------|---------------|-----------|-------------|----------------|
| Affordability  | 0.802         |           |             |                |
| Proximity      | 0.191         | 0.836     |             |                |
| Time-Saving    | 0.259         | 0.579     | 0.857       |                |
| Usage Behavior | 0.3           | 0.573     | 0.664       | 0.867          |

Source: Authors' compilation

5.2. **Structural Model.** Finally, the structural model was run for testing the hypothesized relationships. The results of the analysis indicate that the model explains 50.9 percent of the variance in usage behavior; of it, 47.2 % is attributed to time-saving, and 27.6 and 12.5 were attributed to proximity and affordability respectively as presented in Table 5. The hypothesis testing results in Table 6 indicate that all three proposed hypotheses were accepted at a significance level of 5 %.



**Figure 2: Structural Model** (Source: Authors' compilation)

In table 5 the path coefficients of the structural model were portrayed that indicate the strength and direction of the relationships between the latent constructs. Table 5 shows that affordability, proximity, and time-saving all have a positive effect on usage behavior, with path coefficients of 0.125, 0.276, and 0.472, respectively. This suggests that as affordability, proximity, and time-saving increase, usage behavior also increases.

**Table 5: Path coefficients of the structural model**

|                | Affordability | Proximity | Time-Saving | Usage behavior |
|----------------|---------------|-----------|-------------|----------------|
| Affordability  |               |           |             | 0.125          |
| Proximity      |               |           |             | 0.276          |
| Time-Saving    |               |           |             | 0.472          |
| Usage behavior |               |           |             |                |

Source: Authors' compilation

Table 6 contains the results of hypothesis testing for the path coefficients in the structural model. The results indicate that all three hypotheses were supported at a statistically significant level, with p-values less than 0.05. Specifically, the path coefficients from affordability,

proximity, and time-saving to the usage behavior of users are all positive and statistically significant. The T-statistics show that the magnitude of the path coefficients is much greater than the standard deviation, indicating a strong and reliable relationship between the constructs. Table 6 provides strong evidence that the hypothesized relationships between the constructs are statistically significant and supports the conclusion that affordability, proximity, and time-saving are important factors in driving usage behavior.

| <b>Table 6: Hypothesis Testing</b> |            |          |                   |              |          |
|------------------------------------|------------|----------|-------------------|--------------|----------|
|                                    | Original   | Sample   | Standard          | T statistics | P values |
|                                    | sample (O) | mean (M) | deviation (STDEV) | ( O/STDEV )  |          |
| Affordability -> Usage             | 0.125      | 0.129    | 0.050             | 2.493        | 0.013    |
| Proximity -> Usage                 | 0.276      | 0.277    | 0.077             | 3.567        | 0.000    |
| Time-Saving -> Usage               | 0.472      | 0.472    | 0.070             | 6.750        | 0.000    |
| Source: Authors' compilation       |            |          |                   |              |          |

## 6. DISCUSSION

The present study aimed to investigate the impact of the Business Correspondent (BC) model on financial inclusion. The aim of the study was achieved by utilizing a structural model. The conceptualized model assessed the relationship between the BC model and banking usage behavior. The findings of the study provide important insights into the effectiveness of the BC model in promoting banking usage.

The results of our study confirm the first hypothesis that the proximity of BC agents positively affects banking usage behavior. It was pointed out by Vasudevan and Podar (2008), that distance works as a barrier to financial inclusion and as the BC model provides banking services in close proximity to the user thereby affects the usage of banking services in a positive manner. This study provides empirical support to the contention that proximity of BC agents positively affects the banking usage behavior. The findings add to the existing body of knowledge by demonstrating the importance of BC agents as a means of increasing banking outreach and providing much needed banking services in proximity to the user.

In addition to proximity, the findings of the study confirmed that affordability in accessing banking services through a business correspondent agent also has a significant positive impact on banking usage behavior. This is justified on the ground that assessing banking services at BC Point saves the cost incurred in traveling to the bank branch. This method is also affordable for those people who use banking services less frequently such as daily wage workers, housewives, old age people, etc., as they only need to pay for the transaction they performed. This method also saves on the cost of monthly internet recharge and expensive electronic devices, thereby making this model an affordable medium for accessing formal banking services.

The findings also supported the third hypothesis that the time saved in performing banking transactions through the BC model significantly influences the banking usage behavior of users. This may be because the BC Model helps to overcome the challenge of travel time and eliminates the need for customers to stand in long queues at traditional bank branches, which can be time-consuming and often frustrating. This finding is consistent with previous studies that have highlighted the importance of time as a critical factor that influences banking usage (Anjali Kumar et al. 2006; Renuka 2015). The finding provides empirical support to the claim that time is an important factor that affects banking usage behavior. The finding also implies that users chose the banking channel that saves time on banking transactions and provides quick banking services. The finding also suggests that the BC model has the potential to improve the convenience of banking services, as this model provides banking services in close proximity to the user, which in turn can promote financial inclusion.



## 7. CONCLUSION

In conclusion, the present study provides empirical evidence of the impact of the Business Correspondent (BC) model on financial inclusion. The study used structural equation modeling to assess the relationship between the BC model and banking usage behavior. It was found that time-saving is a critical and most influential factor that positively influences the banking usage behavior of users. Additionally, the findings reveal that both affordability and proximity are also positively associated with the banking usage behavior of users. These findings highlight the potential of the BC model in addressing the issue of limited access to banking services in remote and rural areas and serving underprivileged sections of society. It can be concluded that the proximity of a BC agent to a customer along with time and money saved while performing banking transactions through BC agents positively affects the banking usage behavior.

The findings of the study have important implications for policymakers, financial institutions, and other stakeholders involved in promoting financial inclusion. Policymakers and financial institutions can use the insights from the study to develop policies and strategies that can enhance the effectiveness of the BC model in promoting financial inclusion.

It is important to note that the present study has some limitations. The study was conducted in Uttar Pradesh, and the findings may not be generalizable to other geographical contexts. Additionally, the study relied on self-reported data, which may be subject to social desirability bias.

In future research, it would be important to replicate the present study in different contexts and use different methods to ensure the generalizability and validity of the findings. To check the robustness of the findings a similar study may be conducted and analysis should be performed using alternative estimation techniques and alternative statistical software packages such as AMOS or LISREL. Despite these limitations, the present study provides important insights into the effectiveness of the BC model in promoting financial inclusion and highlights the potential of the model in addressing the issue of limited access to banking services in remote and rural areas.

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8. Appendix

**Questionnaire Construction**

Apart from the relevant demographic information the questionnaire was intended to measure four factors namely affordability, proximity, time-saving, and usage behavior. To measure all of the above-mentioned abstract phenomena, definitions of each construct were operationalized and an initial item pool was generated on the bases of operational definition. Now the generated item pool was shown to the subject expert and fellow researchers to assess the validity of the items and whether they are measuring what they intend to measure. After the screening process, five items for each construct were finalized to be incorporated into the questionnaire for data collection. The questionnaire used in the survey is provided below.

**Questionnaire**

**Part 1**

*Demographics*

**Name:** .....

**Age:** .....

**Gender:**

Male  Female

**Education:**

Illiterate   
 Primary Education 1-5   
 Secondary Education 6-8   
 Higher Education 9-10   
 Higher Secondary 11-12   
 Graduate & above

**Occupation:** .....

**Q: Do you have a smartphone?**

Yes

No

**Q: Do you think internet recharge is affordable?**

Yes

No

**Q: Can you easily operate UPI applications (such as Google Pay, PhonePe, and Paytm) or mobile banking applications for banking services?**

Yes

No

**Q: Do you think the Bank branch is near your house and you can easily reach the bank branch?**

Yes

No

**Q: Is it easy for you to fill out different forms required at bank branches for accessing banking services?**

Yes

No

**Q: Choose the preferred modes you use for accessing basic banking services.**

Bank Branch

Bank Mitra (Business Correspondent agents)

Mobile Banking

Internet Banking

UPI (Google Pay, PhonePe, Paytm, etc.)

**Q: What are the services you use at Business Correspondent (Bank Mitra) point?**

Fund Transfer

Withdrawal   
 Deposit   
 Balance inquiry

Please answer all the questions simply by marking (**X**) to the answer which you think most nearly applies to you.

- (1) = Strongly disagree  
 (2) = Disagree  
 (3) = Neutral  
 (4) = Agree  
 (5) = Strongly agree

| Proximity      |  | SD  | D   | N   | A   | SA  |
|----------------|--|-----|-----|-----|-----|-----|
| 1              | The Bank Mitra is within walking distance from my home.  | (1) | (2) | (3) | (4) | (5) |
| 2              | It does not take much time to reach the BC Agent.  | (1) | (2) | (3) | (4) | (5) |
| 3              | BC agent is near my home compared to the bank branch and ATM   | (1) | (2) | (3) | (4) | (5) |
| 4              | I don't have to travel far to reach the BC agent.  | (1) | (2) | (3) | (4) | (5) |
| 5              | I consider myself physically close to the BC agent.  | (1) | (2) | (3) | (4) | (5) |
| Affordability  |  | SD  | D   | N   | A   | SA  |
| 1              | Bank Mitra does not charge much for its services   | (1) | (2) | (3) | (4) | (5) |
| 2              | It doesn't cost me anything to reach the BC agent.   | (1) | (2) | (3) | (4) | (5) |
| 3              | I feel that the fees charged by business correspondents for banking services are reasonable.   | (1) | (2) | (3) | (4) | (5) |
| 4              | The commission charged by the BC agent for providing banking services (such as, Bank withdrawal, Bank deposit balance inquiries, and fund transfer) is affordable to me. | (1) | (2) | (3) | (4) | (5) |
| 5              | I can afford banking services provided by a BC agent.  | (1) | (2) | (3) | (4) | (5) |
| Time-Saving    |  | SD  | D   | N   | A   | SA  |
| 1              | Bank Mitra enables me to access banking services more quickly  | (1) | (2) | (3) | (4) | (5) |
| 2              | It does not take much time to use banking services at BC Point.  | (1) | (2) | (3) | (4) | (5) |
| 3              | Using BC agent to avail banking services saves the time I spend on traveling to the bank or ATM  | (1) | (2) | (3) | (4) | (5) |
| 4              | Using a BC agent to avail banking services saves my time otherwise wasted on filling out different forms at bank branches.   | (1) | (2) | (3) | (4) | (5) |
| 5              | Bank Mitra can be reached in very less time.   | (1) | (2) | (3) | (4) | (5) |
| Usage behavior |  | SD  | D   | N   | A   | SA  |
| 1              | I often use banking services at BC Point.  | (1) | (2) | (3) | (4) | (5) |
| 2              | whenever I need to withdraw from my bank account, I visit BC Point to withdraw money   | (1) | (2) | (3) | (4) | (5) |
| 3              | I often visit BC Point for fund transfers.   | (1) | (2) | (3) | (4) | (5) |
| 4              | I prefer using banking services at BC Point.   | (1) | (2) | (3) | (4) | (5) |
| 5              | I think I will continue using banking services at BC Point.  | (1) | (2) | (3) | (4) | (5) |