Deposit Mobilization Strategies in Developing Economies: Trends, Challenges, and a Proposed Multi-Layered Banking Growth Model

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Abstract-* Deposit mobilization remains a cornerstone for banking sector growth, financial inclusion, and economic development in developing economies. As banks strive to deepen their intermediation role, attracting, retaining, and efficiently utilizing deposits has become increasingly critical. This paper explores evolving trends, identifies key challenges, and introduces a proposed multi-layered banking growth model designed to strengthen deposit mobilization in resource-constrained environments. Recent trends reveal a dual pathway: digital financial technologies and traditional relationship-driven banking practices. While mobile money platforms, agency banking, and fintech collaborations have expanded deposit access and outreach, rural-urban divides, digital illiteracy, and infrastructure deficits continue to hinder optimal penetration. Furthermore, competition from non-bank financial institutions and informal savings mechanisms poses additional obstacles, limiting formal sector mobilization. The challenges extend beyond access to issues of trust, regulatory rigidity, high transaction costs, and macroeconomic volatility, which collectively undermine depositors' confidence and banks' ability to mobilize stable funds. In addition, socio-cultural barriers and inadequate financial literacy exacerbate deposit stagnation. Addressing these limitations requires an integrated approach that aligns institutional capacity, technological innovation, and policy reforms. To this end, the paper proposes a Multi-Layered Banking Growth Model that synergizes three critical pillars: (i) Institutional Layer, emphasizing robust regulatory frameworks, transparent governance, and customer-centric policies; (ii) Technological Layer, leveraging digital tools, blockchain-based recordkeeping, and artificial intelligence for tailored deposit products and enhanced financial security; and (iii) Community Layer, focusing on grassroots financial literacy, trust-building, and cooperative linkages that embed banks within local socio-economic systems. The model underscores adaptability, scalability, and resilience as essential features for sustainable deposit mobilization in diverse contexts.By integrating these layers, developing economies can overcome systemic challenges, foster inclusive participation, and strengthen the role of banking institutions in capital accumulation and economic growth. The study concludes that deposit mobilization strategies must be multidimensional, combining innovation, regulation, and community engagement to secure long-term financial stability and development.

***Indexed Terms-* Deposit Mobilization, Developing Economies, Financial Inclusion, Banking Growth Model, Fintech, Financial Literacy, Economic Development, Multi-Layered Strategy**

I. INTRODUCTION

Deposit mobilization is a fundamental pillar of banking and economic growth, serving as the lifeblood that sustains financial intermediation, investment, and development. In every economy, particularly in developing nations, the ability of banks to attract, retain, and effectively utilize deposits is directly linked to their capacity to foster productive activities, extend credit, and enhance financial inclusion. Deposits form the primary source of funds for banks, enabling them to channel savings into loans and investments that stimulate entrepreneurial ventures, infrastructure development, and broader economic expansion. Without a steady flow of deposits, banks struggle to maintain liquidity, manage risks, or support sustainable growth, making deposit mobilization a central determinant of financial stability (Dewnarain, Ramkissoon & Mavondo, 2019, Hoseini & Naiej, 2013).

The role of deposits in financial intermediation and banking stability cannot be overstated. A robust deposit base not only enhances the capacity of banks to lend but also strengthens confidence in the financial system by providing a cushion against shocks and uncertainties. Deposits contribute to the creation of a stable financial environment where households, businesses, and governments can access the resources required for long-term development. Moreover, they serve as a reliable, low-cost funding source compared to external borrowing, reducing dependence on volatile capital flows and insulating economies from global financial disruptions. In this regard, deposit mobilization is not merely an operational activity of banks but a strategic function with profound macroeconomic implications (Alamgir & Uddin, 2017, Miyonga, 2019).

The rationale for studying deposit mobilization in developing economies lies in the persistent structural and systemic challenges these regions face. Despite remarkable growth in financial technologies and institutional reforms, many developing nations still grapple with low savings rates, weak banking penetration, limited trust in formal financial systems, and heavy reliance on informal savings mechanisms. These barriers limit the effectiveness of financial intermediation and hinder the potential of banks to drive inclusive growth. Understanding how to overcome these challenges and strengthen deposit mobilization is therefore vital for advancing economic resilience, reducing poverty, and supporting sustainable development goals (Rai, 2012, Yahaya, et al., 2014).

This study aims to examine current trends in deposit mobilization, identify key challenges unique to developing economies, and propose a multi-layered banking growth model that integrates institutional reforms, technological innovation, and community engagement. By providing a comprehensive framework, the research seeks to guide policymakers, banking practitioners, and stakeholders toward strategies that can enhance deposit mobilization and promote long-term economic transformation (Akpe Ejielo, et al., 2020, Eyinade, Ezeilo & Ogundeji, 2020).

2.1. Methodology

The methodology for this study adopts a mixed conceptual-analytical approach, integrating systematic review, comparative analysis, and model development. First, a structured desk review of extant literature was conducted, covering peer-reviewed journals, institutional reports, and case studies related to deposit mobilization, financial inclusion, and regulatory frameworks in developing economies. Key references included Abdel-Baki (2012) on Basel III implications for emerging economies, Berger and Turk-Ariss (2015) on depositor discipline, and Gunasekara and Kumari (2018) on determinants of deposit mobilization in Sri Lanka. These works provided the regulatory, theoretical, and empirical foundations for examining trends in savings mobilization and their macroeconomic implications.

Second, organizational and behavioral perspectives were integrated by analyzing contributions such as Ajonbadi et al. (2014, 2015, 2016) on SMEs' financial control and social capital, Adenuga et al. (2019, 2020) on predictive workforce analytics, and Ali et al. (2019) on talent management and employee engagement. This layer helped establish the role of institutional culture, human capital, and technology adoption in shaping customer trust and banking outreach.

Third, the role of financial innovation and digital transformation was examined using contributions such as Ajuwon et al. (2020) on blockchain-based models, Akonobi & Okpokwu (2020) on fintech innovation frameworks, Gil-Gomez et al. (2020) on CRM and sustainable business models, and Oladuji et al. (2020)

on AI-driven predictive financial models. These sources informed the model design for multi-channel deposit mobilization, digital inclusion, and trust-building in underserved markets.

Fourth, the comparative analysis method was applied to evaluate traditional mobilization practices against digital-first strategies. By comparing evidence from conventional banks, Islamic banks (Ariss, 2010; Lebdaoui & Chetioui, 2020), and mobile-based financial innovations (Chen et al., 2017; Mallick & Das, 2014), the study identified key gaps in access, trust, regulation, and customer experience across developing economies.

Fifth, triangulation of insights across regulatory, organizational, and technological perspectives enabled the design of the proposed *Multi-Layered Banking Growth Model*. The model emphasizes four layers: regulatory stability and prudential compliance, organizational readiness through workforce analytics and customer engagement, financial innovation via blockchain, AI, and mobile banking, and sustainability alignment through green finance and inclusive customer segmentation.

Finally, the proposed framework was validated conceptually through mapping to extant theoretical models of customer relationship management (Buttle & Maklan, 2019; Payne & Frow, 2013), sustainability marketing (Belz & Peattie, 2012), and risk management in banking (Bessis, 2011; Van Greuning & Bratanovic, 2020). The synthesis provides both academic and practical insights, ensuring replicability in developing economies and alignment with global financial stability goals.

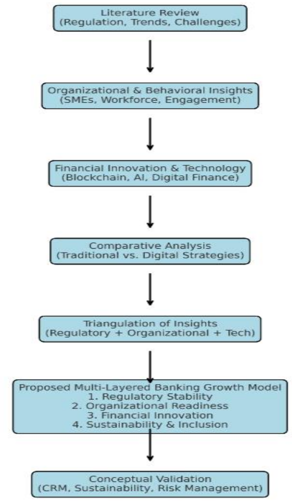

Figure 1: Flowchart of the study methodology

2.2. Conceptual Framework of Deposit Mobilization

Deposit mobilization is widely recognized as one of the most critical functions of banking institutions, particularly in developing economies where access to financial resources remains a cornerstone of growth and stability. At its core, deposit mobilization refers to the process by which banks and other formal financial institutions attract, accumulate, and manage funds from individuals, businesses, and organizations in the form of savings, demand deposits, and fixed deposits. These collected funds are subsequently deployed for lending, investment, and other productive economic activities (Lawal, et al., 2020). The significance of deposit mobilization is profound because it underpins the entire framework of financial intermediation, enabling banks to act as intermediaries between surplus units and deficit units within an economy. In other words, by mobilizing deposits, banks create a pool of resources that can be allocated to productive ventures, thereby facilitating capital formation, employment creation, and broader economic development (Askool & Nakata, 2011, Padmavathy, Balaji & Sivakumar, 2012).

In developing economies, deposit mobilization carries additional weight due to the scarcity of accessible, low-cost capital and the dominance of informal financial systems. Unlike developed economies where capital markets are deep and diversified, many developing nations depend heavily on the banking sector as the primary mechanism for resource mobilization. This makes deposit mobilization not only an operational necessity for banks but also a strategic imperative for national development. The process contributes to macroeconomic stability by enhancing liquidity, reducing reliance on foreign borrowing, and insulating economies from external shocks. It also plays a vital role in cultivating a culture of savings, encouraging households and businesses to accumulate wealth in secure, formal institutions rather than informal savings clubs or underutilized assets (Buttle & Maklan, 2019, Hassan, et al., 2015). The importance of this process is further emphasized in contexts where high levels of financial exclusion, poverty, and weak institutional trust undermine the effectiveness of banking systems. Strengthening deposit mobilization strategies in such settings is therefore directly tied to efforts at accelerating growth, reducing inequality, and achieving sustainable development goals.

The theoretical perspectives on banking growth and deposit mobilization provide deeper insights into why this function is indispensable. From a classical banking theory standpoint, banks exist primarily as institutions for accepting deposits and granting loans, with their growth being directly proportional to their ability to mobilize resources from the public. The financial intermediation theory expands on this view by positioning banks as entities that resolve mismatches between savers and borrowers in terms of preferences for liquidity, risk, and maturity. Deposits thus form the foundation upon which banks fulfill this role, enabling them to channel short-term savings into long-term investments (Falcone, Morone & Sica, 2018, Mallick & Das, 2014). Moreover, endogenous growth theories highlight the role of financial development through efficient deposit mobilization in spurring innovation, productivity, and sustainable economic expansion. By facilitating the accumulation and allocation of capital, banks not only support business growth but also foster structural transformation within economies.

In addition to these foundational theories, the supply-leading and demand-following hypotheses in development economics underscore the importance of deposit mobilization for growth. The supply-leading hypothesis argues that financial development, including the expansion of deposit mobilization, precedes and drives economic growth by creating access to capital and credit. On the other hand, the demand-following hypothesis suggests that as economies expand, the demand for financial services grows, thereby prompting greater deposit mobilization. Both perspectives reveal a dynamic and reciprocal relationship between economic development and the strength of banking systems. Deposit mobilization therefore functions as both a cause and consequence of economic growth, making it essential to conceptualize strategies that reinforce this virtuous cycle (Ravichandran, 2015, Sethy, 2015).

Another significant theoretical lens is provided by the financial repression theory, which warns that restrictive policies such as interest rate caps, excessive regulation, or limited competition within the banking sector can stifle deposit mobilization. In many developing economies, government interventions aimed at controlling financial markets have historically discouraged savings, limited innovation, and reduced incentives for individuals to place deposits in banks. This suggests that for deposit mobilization to be effective, regulatory frameworks must strike a delicate balance between stability, innovation, and customer incentives (Abdel-Baki, 2012, Elagroudy, Warith & El Zayat, 2016). The modernization theory also offers insights by linking deposit mobilization to broader societal and institutional changes, suggesting that as societies modernize, individuals and businesses transition from informal savings systems to formal financial institutions, thereby expanding the scope of deposits.

The relationship between deposit mobilization and financial inclusion represents another vital dimension of the conceptual framework. Financial inclusion refers to the accessibility and availability of financial services to all segments of the population, particularly marginalized groups such as low-income households, women, and rural communities. Deposit mobilization and financial inclusion are mutually reinforcing: effective mobilization strategies expand the reach of banking services, while greater inclusion increases the volume and diversity of deposits. In this sense, deposit mobilization is not merely a technical process of gathering funds but also a social and developmental tool for empowering communities and reducing poverty (Kozul-Wright & Poon, 2019, Macchiavello, 2012). Figure 2 shows the model of customer behavior presented by Gunasekara & Kumari, 2018.

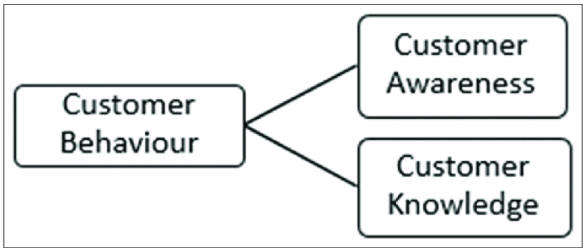

Figure 2: Model of customer behavior (Gunasekara & Kumari, 2018).

For example, when banks design products that cater to the needs of rural farmers or urban informal workers such as low-balance savings accounts, micro-deposit schemes, or mobile-based savings platforms they not only attract deposits but also integrate previously excluded groups into the formal financial system. This inclusion enhances household financial security, reduces vulnerability to economic shocks, and creates opportunities for credit access and entrepreneurship. In return, the broader participation in the banking system strengthens the overall deposit base, enabling banks to expand their lending and investment activities. The linkage between deposit mobilization and inclusion therefore forms a feedback loop: mobilization strategies broaden access, and inclusion reinforces mobilization by diversifying sources of funds (Hanks, 2015, Kör, 2016, Sahoo, 2017).

In many developing economies, however, the relationship between deposit mobilization and financial inclusion is complicated by systemic challenges such as limited financial literacy, low trust in institutions, and cultural preferences for cash-based or informal savings mechanisms. Addressing these challenges requires innovative approaches that go beyond traditional banking models. Technology plays a pivotal role here (Siddiqui, 2020, Van Greuning & Bratanovic, 2020). Mobile banking, digital wallets, and agent banking have transformed the landscape of deposit mobilization by lowering barriers to entry and providing cost-effective, convenient options for saving. These innovations not only expand access but also create opportunities for personalized financial education and engagement, further enhancing inclusion.

Another dimension of this relationship is the role of trust and transparency. For deposit mobilization to contribute effectively to financial inclusion, customers must have confidence that their funds are safe, accessible, and managed responsibly. Scandals, poor customer service, or systemic failures can erode trust, pushing individuals back into informal savings systems. As such, deposit mobilization strategies must incorporate robust governance practices, transparent communication, and customer-centric policies that reinforce the credibility of financial institutions. This is particularly important in developing economies where mistrust of banks often has historical or socio-political roots (Bessis, 2011, Choudhry, 2018).

Furthermore, the relationship between deposit mobilization and financial inclusion highlights the need for regulatory adaptability. Policymakers must design frameworks that encourage innovation while ensuring consumer protection and systemic stability. For example, regulations that support fintech collaborations, promote digital identification systems, and incentivize rural banking infrastructure can enhance both deposit mobilization and inclusion. Conversely, restrictive or outdated policies can constrain innovation, limit outreach, and perpetuate exclusion. Therefore, effective regulation becomes a critical enabler in the conceptual framework of deposit mobilization in developing economies (Bezzina, Grima & Mamo, 2014, Weber & Feltmate, 2016). Figure 3 shows figure of the trend in Bank profitability and Interest rate spread presented by Mdoe, Omolo & Wawire, 2019.

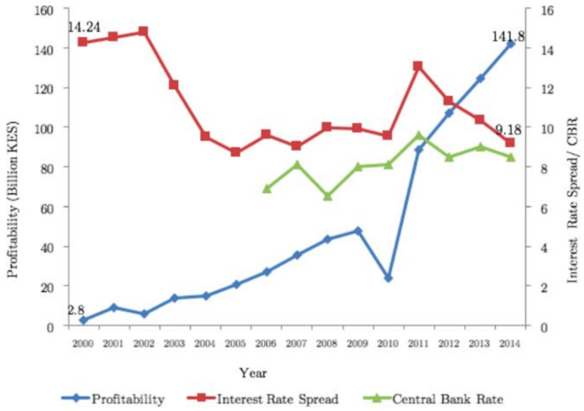

Figure 3: Trend in Bank profitability and Interest rate spread (Mdoe, Omolo & Wawire, 2019).

Ultimately, deposit mobilization emerges as a multidimensional concept that transcends its traditional role of resource accumulation. It is both an economic necessity for banking growth and a developmental strategy for enhancing financial inclusion. By situating deposit mobilization within theoretical perspectives on banking and linking it to the broader goal of inclusion, the conceptual framework underscores its strategic significance. Developing economies, in particular, must adopt innovative, inclusive, and sustainable deposit mobilization strategies to overcome structural challenges and unlock growth potential. The proposed multi-layered banking growth model integrates these dimensions by recognizing deposit mobilization as an institutional, technological, and community-driven process. Through this lens, mobilization becomes not just a function of banking but a transformative driver of economic development, financial empowerment, and long-term resilience (Beyhaghi & Hawley, 2013, Schoenmaker, 2017).

2.3. Trends in Deposit Mobilization in Developing Economies

Trends in deposit mobilization within developing economies reflect a dynamic interplay between traditional banking practices, the rapid adoption of digital innovations, and the broader influence of globalization and regional integration. These trends highlight the evolution of strategies employed by banks and financial institutions to attract and retain deposits, while also revealing the persistent structural and socio-economic challenges that shape financial behavior. A closer look at these developments reveals how conventional approaches rooted in personal trust and physical banking infrastructure are increasingly being complemented and, in some cases, supplanted by technologically driven models. Additionally, comparative experiences from selected economies demonstrate the diversity of strategies and outcomes, underscoring the need for context-specific solutions in deposit mobilization (Dikau & Volz, 2019, Rababah, Mohd & Ibrahim, 2011).

Historically, traditional approaches to deposit mobilization in developing economies relied heavily on branch banking and the cultivation of relationship-based trust between banks and customers. Branch expansion was considered the most effective means of increasing deposits, as physical proximity to customers reduced barriers to access and facilitated the inclusion of rural and underserved populations. Banks built reputations around visible infrastructure, personalized services, and the reliability of human interactions. Relationship managers played crucial roles in encouraging customers to save, offering advice, and assuring depositors of the safety of their funds. This model was particularly effective in communities where trust in institutions was fragile, as personal relationships often acted as a bridge between banks and hesitant customers. In many African and Asian economies, banks invested significantly in branch networks during the late twentieth century, viewing physical presence as a symbol of stability and credibility. However, the limitations of this approach soon became apparent, as the high costs associated with establishing and maintaining branches restricted outreach to remote or low-income populations, thereby excluding large segments of society from formal banking (Raab, Ajami & Goddard, 2016, Zeynep Ata & Toker, 2012).

In response to these limitations, emerging approaches to deposit mobilization have increasingly relied on digital banking, mobile money services, fintech collaborations, and agency banking. Digital banking platforms have transformed how customers interact with financial institutions, making it possible to conduct transactions, open accounts, and monitor savings from the convenience of mobile devices. Mobile money, in particular, has revolutionized deposit mobilization in developing economies where mobile phone penetration is high, but banking infrastructure is limited. Kenya's M-Pesa is the most cited example of how mobile-based platforms can leapfrog traditional barriers to financial inclusion (Garrido-Moreno & Padilla-Meléndez, 2011). By enabling millions of previously unbanked individuals to save, transfer, and deposit funds securely, mobile money has become a cornerstone of financial mobilization in sub-Saharan Africa. Similarly, in South Asia, services such as bKash in Bangladesh have created widespread opportunities for savings, particularly for low-income households and rural communities. Figure 4 shows conceptual model presented by Gunasekara & Kumari, 2018.

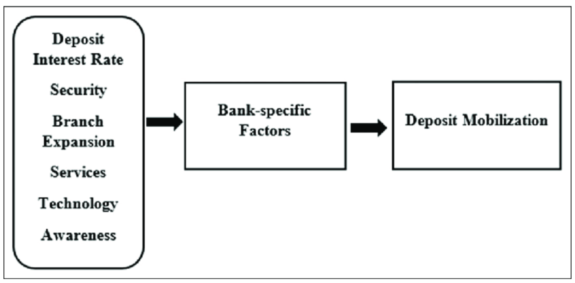

Figure 4: Conceptual model (Gunasekara & Kumari, 2018).

Fintech collaborations have also expanded the scope of deposit mobilization by providing innovative solutions tailored to local contexts. Start-ups and financial technology firms partner with traditional banks to offer digital wallets, micro-savings applications, and interest-bearing accounts that cater to the needs of small depositors. These collaborations often emphasize user-friendly interfaces, low transaction costs, and integration with local payment systems, thereby addressing both affordability and accessibility concerns. Agency banking represents another emerging approach that has proven effective in expanding deposit mobilization. By leveraging local merchants, cooperatives, and small businesses as banking agents, financial institutions extend their reach without the heavy costs of physical branches (Lin, et al., 2010, Soliman, 2011). Agency banking allows individuals in rural or underserved areas to deposit funds, make withdrawals, and access basic financial services through trusted community intermediaries, thereby combining the trust-building element of traditional banking with the cost efficiency of technological innovation.

The influence of globalization and regional integration has also shaped deposit mobilization trends in developing economies. Global financial institutions, multinational banks, and international development organizations have promoted practices that align local banking systems with global standards. This has encouraged the adoption of advanced risk management practices, greater transparency, and the introduction of deposit products modeled on international experiences. Regional integration initiatives, such as the African Continental Free Trade Area (AfCFTA) and the South Asian Association for Regional Cooperation (SAARC), have facilitated cross-border financial flows and harmonized banking regulations. These efforts enhance depositor confidence by creating more stable and interconnected financial systems, while also fostering competition among banks to innovate in their deposit mobilization strategies (Dewnarain, Ramkissoon & Mavondo, 2019, Payne & Frow, 2013). The rise of remittances as a significant source of deposits in many developing economies can also be linked to globalization. Migrant workers' transfers are increasingly funneled through formal banking channels, boosting deposit volumes and encouraging banks to design products that cater specifically to diaspora-linked customers.

Comparative case examples further illustrate how these trends manifest across different contexts. In Kenya, the integration of mobile money with formal banking has created hybrid models where deposits flow seamlessly between mobile wallets and bank accounts. This has significantly expanded the deposit base of banks while deepening financial inclusion. In Nigeria, agency banking has been instrumental in reaching rural communities, with commercial banks and fintech firms deploying extensive networks of agents to attract deposits from previously excluded populations. However, challenges such as inadequate infrastructure, regulatory uncertainty, and cybersecurity risks continue to shape outcomes. In India, the government-led Jan Dhan Yojana program has emphasized deposit mobilization as a tool for financial inclusion by opening millions of no-frills bank accounts for low-income households (Domazet, Zubović & Jeločnik, 2010, Rajola, 2019). This initiative has not only increased deposits in the banking system but also encouraged savings habits among marginalized groups. Meanwhile, in

Bangladesh, bKash has become a dominant player in mobile-based savings and transactions, with its success tied to its ability to build trust and affordability into its services.

Comparisons with Latin America show similar yet distinct patterns. In Brazil, digital banking platforms like Nubank have redefined deposit mobilization by targeting younger, tech-savvy customers with low-cost digital accounts and savings products. This contrasts with countries like Peru, where trust in formal banks remains fragile, and informal savings mechanisms continue to compete with formal deposit mobilization strategies. In each of these cases, the balance between traditional trust-based approaches and emerging technology-driven models reflects both the opportunities and challenges inherent in deposit mobilization.

The broader pattern that emerges from these examples is one of convergence and adaptation. While traditional approaches based on branch networks and personal relationships remain relevant, particularly in regions where digital literacy is low, emerging approaches are increasingly defining the future of deposit mobilization. The fusion of digital technologies with community-based trust mechanisms appears to offer the most effective path forward. Globalization and regional integration further reinforce these trends by exposing developing economies to international best practices, competitive pressures, and opportunities for cross-border collaboration.

Ultimately, the trends in deposit mobilization in developing economies demonstrate a shift from reliance on costly, centralized models to more adaptive, inclusive, and technologically driven strategies. Yet, success depends on the ability of banks and policymakers to integrate these trends into coherent strategies that address local realities. The lessons from Kenya, Nigeria, India, Bangladesh, and Brazil highlight the importance of innovation, trust, and inclusivity in shaping effective deposit mobilization. Developing economies must therefore continue to balance tradition and innovation, leveraging globalization while ensuring that deposit mobilization strategies remain aligned with the socio-economic contexts of their populations. By doing so, they can transform deposits into powerful tools for financial stability, growth, and inclusive development.

2.4. Challenges to Effective Deposit Mobilization

Challenges to effective deposit mobilization in developing economies are wide-ranging and multifaceted, reflecting the interplay between institutional weaknesses, technological deficits, cultural dynamics, and macroeconomic instability. Although banks and financial institutions have made significant progress in expanding outreach and adopting new strategies, systemic constraints continue to undermine their ability to attract and sustain deposits from households, businesses, and communities. Understanding these barriers is critical, as they shape the efficacy of deposit mobilization strategies and determine the broader contribution of the banking sector to national economic growth and financial inclusion.

One of the foremost obstacles is institutional and regulatory constraints, which hinder the ability of banks to operate efficiently and adapt to the dynamic needs of depositors. In many developing economies, financial regulatory frameworks are either outdated or overly rigid, limiting innovation in deposit products and constraining the use of modern technologies. Excessive bureaucratic requirements, inconsistent policy implementation, and weak supervisory structures create inefficiencies that discourage savings (Gil-Gomez, et al., 2020, Lebdaoui & Chetioui, 2020). For example, lengthy procedures for opening accounts, stringent documentation requirements, and high compliance costs often exclude low-income and informal sector workers from formal banking. Moreover, regulatory environments that lack clarity on the integration of fintech solutions with traditional banking create uncertainty and disincentivize investment in innovative deposit mobilization channels. In some cases, political interference in banking decisions further erodes institutional independence and credibility, weakening the overall stability of the deposit system.

Closely linked to institutional challenges are infrastructure and technological gaps that continue to restrict deposit mobilization in many developing countries. Banking systems depend heavily on reliable electricity, telecommunication networks, and secure digital infrastructure. However, rural and semi-urban regions often suffer from weak infrastructure, making it difficult for banks to establish branches, deploy ATMs, or offer digital services. Although mobile banking and agent banking have reduced some of these barriers, persistent problems such as unreliable internet connectivity, frequent power outages, and limited access to affordable smartphones hinder their effectiveness. These gaps not only restrict access to banking services but also increase transaction costs, discouraging individuals from depositing their savings. The digital divide between urban and rural populations is particularly pronounced, meaning that technological advancements in banking tend to benefit already advantaged groups while leaving behind large segments of the population (Manzoor, 2012, Zoogah, Peng & Woldu, 2015).

Socio-cultural barriers and financial literacy limitations further complicate deposit mobilization in developing economies. Savings behavior is deeply influenced by cultural norms, traditions, and social expectations, many of which do not align with formal banking practices. In some communities, the preference for tangible assets such as livestock, jewelry, or real estate over bank deposits reflects both cultural values and practical considerations, including mistrust of formal institutions. Gender norms also play a role, as women in many societies face social restrictions or lack the autonomy to make independent financial decisions, resulting in their exclusion from the deposit base (Ariss, 2010, Belz & Peattie, 2012). Low levels of financial literacy exacerbate these barriers, as many individuals lack the knowledge required to understand deposit products, interest rates, and the benefits of saving in a bank. Misconceptions about hidden charges, complex terms, and the risks of losing deposits often discourage participation. Without targeted financial education initiatives, efforts to mobilize deposits will remain limited to relatively educated and urban populations, excluding the rural poor and other vulnerable groups.

Another significant challenge is the strong competition from informal financial systems, which remain deeply embedded in many developing economies. Informal savings groups, rotating credit associations, and community-based cooperatives often serve as the primary channels for resource mobilization, particularly in rural and low-income areas. These informal mechanisms thrive on trust, convenience, and flexibility, offering services that formal banks struggle to replicate. For example, savings groups may allow members to deposit small, irregular amounts, provide immediate access to funds in emergencies, and operate within the social and cultural fabric of communities. By contrast, banks typically require regular deposits, enforce strict rules, and are less responsive to urgent needs. As a result, many households prefer to keep their savings within informal networks, even when formal banking services are available. This competition undermines deposit mobilization efforts, as banks are unable to attract a significant portion of household savings into the formal financial system (Galbraith, 2014, Upadhaya, Munir & Blount, 2014).

The issue of trust, governance, and customer protection also looms large in shaping deposit mobilization outcomes. Trust is the foundation of any banking relationship, and without it, individuals are unlikely to deposit their savings. In many developing economies, past experiences of bank failures, corruption, mismanagement, and inadequate deposit insurance schemes have eroded public confidence in the banking sector. Cases of misappropriation of funds, sudden closures of financial institutions, or poor customer service leave lasting impressions that discourage individuals from engaging with banks. Governance weaknesses, such as lack of transparency, inadequate oversight, and insufficient customer grievance mechanisms, exacerbate these problems (Seidu, 2012, Tallon, 2010). Deposit protection schemes, where they exist, are often poorly funded or limited in scope, offering little assurance to depositors. Without strong governance frameworks and reliable customer protection measures, efforts to expand deposit mobilization will be met with skepticism and resistance.

Finally, macroeconomic instability and inflationary pressures present formidable challenges to effective deposit mobilization in developing economies. High inflation rates erode the real value of savings, discouraging individuals from keeping their money in banks. In environments where inflation consistently outpaces interest rates on deposits, savers perceive little or no benefit in holding bank accounts, opting instead for tangible assets or foreign currencies that retain value more effectively. Exchange rate volatility and economic uncertainty further compound these concerns, leading to a lack of confidence in domestic financial institutions. Moreover, macroeconomic instability often forces governments to intervene heavily in financial markets, imposing interest rate caps or directing credit allocations in ways that undermine the incentives for banks to attract and reward depositors (Pucheta-Martínez & Gallego-Álvarez, 2020, Tuan, 2020). The cyclical nature of economic crises in many developing nations reinforces public perceptions of risk, perpetuating low levels of trust and deposit activity.

Taken together, these challenges illustrate the complexity of deposit mobilization in developing economies. Institutional and regulatory constraints create inefficiencies and limit innovation, while infrastructure and technological deficits restrict access to banking services. Socio-cultural barriers and financial illiteracy prevent large segments of the population from engaging with formal financial institutions, and competition from informal systems siphons potential deposits away from banks. Trust deficits, weak governance, and inadequate customer protection further discourage participation, while macroeconomic instability undermines the very rationale for saving in formal institutions. Each of these challenges is interconnected, creating a cycle that perpetuates financial exclusion and limits the ability of banks to perform their critical intermediation role.

Addressing these challenges requires a comprehensive approach that goes beyond piecemeal reforms. It calls for regulatory frameworks that are adaptive and supportive of innovation, investment in infrastructure and digital technologies that expand outreach, financial education programs that target vulnerable groups, and stronger governance mechanisms that restore public confidence. Equally important is the need to bridge the gap between formal and informal systems by creating hybrid models that leverage community trust while ensuring the security and efficiency of formal banking (Ali, Bashir & Mehreen, 2019, Zoogah, Peng & Woldu, 2015). Ultimately, overcoming these barriers is essential not only for strengthening deposit mobilization but also for unlocking the broader potential of banking systems to drive inclusive economic growth and development in the world's most vulnerable economies.

2.5. Proposed Multi-Layered Banking Growth Model

The proposed multi-layered banking growth model provides a comprehensive approach to addressing the complexities of deposit mobilization in developing economies. Recognizing the interconnected nature of institutional, technological, and community-driven factors, this framework situates deposit mobilization within a holistic system designed to overcome systemic challenges and foster sustainable growth. Instead of relying on isolated interventions, the model integrates reforms across governance structures, technological innovation, and grassroots engagement, ensuring that financial institutions can build trust, extend outreach, and create an inclusive banking culture. By weaving these layers into a coherent whole, the model offers a path forward for strengthening deposit mobilization while simultaneously contributing to financial stability, inclusion, and broader economic transformation.

The institutional layer serves as the foundation of the model, as governance, regulatory frameworks, and policy reforms set the tone for banking operations and depositor confidence. In many developing economies, the effectiveness of deposit mobilization depends heavily on the extent to which institutions are transparent, reliable, and supportive of innovation. Governance reforms that emphasize accountability, efficiency, and oversight can help restore public trust, which is critical for encouraging individuals to place their savings in banks rather than in informal systems. Strengthening deposit insurance schemes, enhancing supervisory mechanisms, and ensuring that regulations are clear and adaptable provide the assurance depositors need to engage confidently with formal institutions (Berger & Turk-Ariss, 2015, Shet, Patil & Chandawarkar, 2019). Policy reforms must also address barriers such as excessive bureaucracy in account opening, high compliance costs, and restrictive interest rate caps that reduce incentives to save. Furthermore, institutional independence from political interference is essential to ensure that banking systems are managed for the long-term stability of depositors' funds rather than short-term political gain. By establishing robust governance systems and adaptive regulatory frameworks, the institutional layer creates an enabling environment in which deposit mobilization strategies can flourish.

The technological layer builds on this foundation by leveraging innovation to expand outreach, enhance efficiency, and improve customer experience. Fintech innovations such as mobile banking platforms, digital wallets, and micro-savings applications have already shown immense potential in countries like Kenya, Bangladesh, and India, where they have succeeded in attracting millions of previously unbanked individuals into the formal financial system. The integration of blockchain technology provides further opportunities for secure and transparent transactions, reducing fraud and ensuring the integrity of deposit records. Artificial intelligence can be employed to analyze customer behavior, design tailored deposit products, and predict financial needs, thereby personalizing banking services and increasing customer engagement (Chen, et al., 2017, Evans,2017). Cybersecurity also becomes a critical component of the technological layer, as the success of digital solutions depends on ensuring that depositor funds and data are protected from fraud and cyberattacks. Without strong cybersecurity measures, digital innovations may inadvertently undermine depositor confidence. By embedding innovation and security within banking systems, the technological layer transforms the cost and accessibility dynamics of deposit mobilization, allowing banks to reach broader populations at lower costs while offering services that are secure, personalized, and convenient.

The community layer represents the human and cultural dimension of the model, recognizing that deposit mobilization is not only a technical or institutional challenge but also a social one. Grassroots engagement is central to this layer, as local communities must be actively involved in the design and adoption of deposit products. Cooperative banking models, community savings groups, and microfinance institutions can serve as bridges between formal banks and local populations, embedding deposit mobilization within trusted social structures. By working through cooperatives and community organizations, banks can reach individuals who might otherwise be excluded due to distance, mistrust, or cultural barriers (Akonobi & Okpokwu, 2019, Iyabode, 2015). Financial literacy initiatives are another cornerstone of the community layer, as education empowers individuals to make informed decisions about saving, investing, and managing money. Tailored programs that address the specific needs of women, rural farmers, and informal sector workers are essential to ensure that financial education translates into increased deposits. Moreover, the community layer emphasizes trust-building through consistent, transparent communication and customer care, reinforcing the perception of banks as partners in local development rather than distant institutions. This grassroots-driven approach ensures that deposit mobilization strategies resonate with the lived realities of depositors, making them more effective and sustainable.

The true strength of the proposed model lies in the integration of these three layers to create a coherent and sustainable system. The institutional, technological, and community dimensions cannot function in isolation; rather, they must interact and reinforce one another. For instance, institutional reforms that promote flexible regulation and fintech collaboration can enable technological innovations such as mobile banking platforms, while strong governance frameworks provide the oversight needed to maintain trust in these systems (Akpe, et al., 2020, Gbenle, et al., 2020). At the same time, community engagement ensures that these innovations are accessible and relevant to local populations, while financial literacy initiatives enhance their effective use. Similarly, investments in cybersecurity though part of the technological layer require institutional oversight to maintain standards and community trust to encourage adoption. The synergy between these layers creates a virtuous cycle: stronger institutions encourage technological adoption, technological innovations expand community access, and engaged communities reinforce institutional legitimacy through participation and trust.

Sustainable growth within this integrated model is achieved by aligning deposit mobilization strategies with broader economic and social goals. As deposits increase, banks are better able to extend credit to small businesses, invest in infrastructure projects, and support entrepreneurial ventures, all of which contribute to job creation and poverty reduction. By ensuring that deposit mobilization is inclusive and rooted in community engagement, the model contributes to financial inclusion, empowering marginalized populations and reducing inequality. Technological innovation enhances efficiency and scalability, allowing banks to operate sustainably even in resource-constrained environments. Institutional reforms, in turn, ensure that these processes are managed transparently and responsibly, minimizing risks and maximizing long-term stability (Akinrinoye, et al., 2020, Ilufoye, Akinrinoye & Okolo, 2020).

The multi-layered banking growth model therefore provides a comprehensive roadmap for addressing the persistent challenges that have hindered deposit mobilization in developing economies. By combining governance reforms, technological innovation, and grassroots engagement into a single integrated framework, it addresses the institutional, infrastructural, and cultural barriers that limit savings and financial inclusion. Its emphasis on adaptability ensures that it can be applied across diverse contexts, while its focus on integration guarantees that each layer supports and reinforces the others. In doing so, the model not only enhances deposit mobilization but also transforms banking systems into engines of inclusive growth and resilience (AdeniyiAjonbadi, AboabaMojeed-Sanni & Otokiti, 2015).

Ultimately, the success of this model lies in its recognition that deposit mobilization is not a one-dimensional activity confined to banking halls or digital platforms. It is a multi-faceted process shaped by trust, regulation, technology, and community realities. Developing economies that adopt this integrated framework stand to unlock new levels of financial participation, strengthen their banking systems, and accelerate the pace of economic transformation. By viewing deposit mobilization through the lens of this multi-layered growth model, policymakers, bankers, and communities can work together to build systems that are inclusive, innovative, and resilient, ensuring that savings are not just accumulated but also transformed into drivers of sustainable national development.

2.6. Implications of the Model

The proposed multi-layered banking growth model for deposit mobilization in developing economies carries wide-ranging implications that extend across policymakers, practitioners, and communities. It is not only a conceptual framework for enhancing the mobilization of financial resources but also a practical blueprint for addressing persistent barriers that hinder the ability of banking systems to contribute effectively to economic development. Its institutional, technological, and community-driven components highlight that effective deposit mobilization is a collective responsibility requiring coordinated efforts from governments, regulators, financial institutions, and the populations they serve. Understanding the implications of this model is crucial for aligning strategic action with long-term national goals of financial inclusion, stability, and sustainable growth.

For policymakers, the model underscores the importance of regulatory adaptability and supportive frameworks in enabling banks to expand their deposit mobilization strategies. Regulations that are rigid, outdated, or overly restrictive often stifle innovation and prevent banks from offering flexible deposit products that respond to the realities of developing economies. Policymakers must therefore embrace adaptive regulation, creating an environment that balances innovation with stability. This involves establishing clear guidelines for the integration of fintech firms, ensuring interoperability between digital platforms and traditional banking systems, and supporting innovations such as mobile money, agency banking, and blockchain-based solutions. Policymakers must also invest in financial infrastructure, including digital identification systems and interoperable payment platforms, which are critical enablers of inclusion (Akonobi & Okpokwu, 2020, Ilufoye, Akinrinoye & Okolo, 2020). A supportive regulatory environment should also prioritize consumer protection, requiring banks to adopt transparent practices and establishing mechanisms such as deposit insurance schemes that reinforce public confidence. Beyond regulation, policymakers must integrate deposit mobilization into national development strategies, recognizing that the capacity to mobilize savings has direct implications for investment, job creation, and poverty reduction. In fragile economies where trust in institutions has been undermined, regulatory reforms must be coupled with broader governance reforms to ensure that banking systems are free from political interference and managed with transparency and accountability.

For practitioners, particularly banks and other financial institutions, the implications of the model are equally profound. Deposit mobilization cannot be approached as a routine operational activity but rather as a strategic function tied to long-term growth, stability, and competitiveness. Practitioners must therefore adopt innovative deposit mobilization techniques that integrate the institutional, technological, and community layers of the model. This means designing customer-centric products that are affordable, accessible, and tailored to the needs of diverse populations, including low-income households, women, youth, and rural communities. The use of big data and artificial intelligence can enable banks to analyze customer behavior and develop personalized savings solutions, while blockchain technologies can improve security and transparency (Ajonbadi, Mojeed-Sanni & Otokiti, 2015). Practitioners must also invest in omnichannel strategies that combine physical branches, agency networks, and digital platforms to ensure inclusivity. Importantly, banks must shift from transaction-driven models to relationship-driven models, where depositors are viewed not only as sources of capital but as partners in growth. This requires strengthening customer engagement through transparent communication, responsive services, and trust-building measures that address concerns about safety and fairness.

Moreover, practitioners must focus on cost efficiency and sustainability in deposit mobilization. High transaction costs have long discouraged savings in developing economies, and banks must leverage technology and strategic partnerships to lower these costs. Collaborations with fintech firms, telecom providers, and community organizations can expand outreach while reducing the burden of infrastructure investment. Practitioners must also strengthen risk management and cybersecurity measures to protect deposits in an era of increasing digital adoption. Any failure to secure customer data or prevent fraud can quickly erode trust and reverse gains in deposit mobilization (Lawal, Ajonbadi & Otokiti, 2014, Lawal, 2015). Finally, practitioners must embrace corporate social responsibility as part of their deposit mobilization strategy, linking their activities to community development initiatives that demonstrate a tangible commitment to societal well-being. Such actions not only enhance reputation but also embed banks more deeply in the communities they serve, reinforcing loyalty and participation.

For communities, the implications of the multi-layered model are transformative, as it positions deposit mobilization not merely as a financial process but as a pathway to inclusion, empowerment, and participation. Communities stand to benefit from enhanced trust in formal institutions as governance reforms and consumer protection measures ensure that deposits are secure and accessible. In environments where mistrust has historically driven people toward informal savings mechanisms, the adoption of transparent, community-engaged banking practices can shift behavior toward formal systems (Lawal, Ajonbadi & Otokiti, 2014, Sharma, et al., 2019). Financial literacy initiatives embedded in the community layer of the model empower individuals with the knowledge to understand deposit products, evaluate options, and make informed decisions about their financial futures. As financial education spreads, households become better equipped to plan for emergencies, invest in education and health, and participate in entrepreneurial activities, thereby reinforcing the savings culture.

Enhanced inclusion is another critical implication for communities. Through mobile banking, agent networks, and cooperative banking models, individuals who were once excluded from formal financial systems gain access to secure and convenient savings mechanisms. Women, in particular, stand to benefit from these initiatives, as tailored financial products and community engagement programs can overcome gender-based barriers to participation. Rural communities, often neglected in traditional banking strategies, gain new opportunities for inclusion through agency banking and mobile-based solutions that reduce the need for costly branch expansion (Akonobi & Okpokwu, 2020, Ilufoye, Akinrinoye & Okolo, 2020). In turn, this broader inclusion not only strengthens the deposit base of banks but also creates a more equitable financial system where marginalized populations actively contribute to and benefit from economic growth.

The community implications also extend to participation in governance and accountability processes. As banks embed themselves within local communities through grassroots partnerships, cooperatives, and engagement programs, individuals gain a voice in shaping the financial products and services that affect their lives. This participatory approach fosters a sense of ownership and strengthens the relationship between banks and their depositors. In contexts where exclusion and neglect have fostered alienation, such inclusive models rebuild trust and integrate financial systems into the social fabric of communities (Ajonbadi, et al., 2014, Otokiti & Akorede, 2018). Beyond individual benefits, communities also experience collective gains, as mobilized deposits provide the resources needed to finance infrastructure, support small enterprises, and stimulate local development. The cumulative effect is a cycle where stronger communities support stronger banks, and stronger banks reinforce community resilience and prosperity.

The integrated implications of this model highlight the interdependence of policymakers, practitioners, and communities in advancing deposit mobilization strategies. Policymakers provide the enabling environment, practitioners drive innovation and operational effectiveness, and communities reinforce these efforts through participation and trust. None of these actors can succeed in isolation; their roles are mutually reinforcing. Effective regulation without community trust will not generate deposits, just as innovative products without supportive policies may not achieve scale. Similarly, community engagement without institutional transparency risks being undermined by failures in governance (Ajuwon, et al., 2020, Lawal, et al., 2020). The model therefore emphasizes that sustainable deposit mobilization in developing economies requires coordinated efforts across these three domains, ensuring that reforms and innovations are not fragmented but integrated into a coherent system.

Ultimately, the implications of the multi-layered banking growth model extend beyond the immediate objective of mobilizing deposits. They encompass broader goals of financial stability, inclusion, and national development. By creating a system where savings are efficiently mobilized, securely managed, and effectively deployed, developing economies can unlock new levels of capital formation, entrepreneurial growth, and poverty reduction. Policymakers benefit from a more resilient financial system, practitioners gain stronger and more loyal customer bases, and communities achieve empowerment and opportunity (Akonobi & Okpokwu, 2020, Nwani, et al., 2020). The success of this model lies in its recognition that deposit mobilization is not a narrow banking activity but a developmental imperative that must align with broader socio-economic goals. Its adoption can therefore transform banking systems from mere custodians of savings into engines of inclusive and sustainable growth.

2.7. Recommendations

Recommendations for strengthening deposit mobilization strategies in developing economies must be framed with a recognition of the systemic challenges these regions face, as well as the transformative potential of banking systems to drive economic growth and financial inclusion. The proposed multi-layered banking growth model already highlights the need to address institutional, technological, and community dimensions simultaneously. Building upon this framework, a comprehensive set of recommendations must be advanced that targets regulators, banking practitioners, and communities, while also integrating the principles of sustainability into future strategies. These recommendations are designed not only to enhance the ability of banks to mobilize deposits but also to ensure that deposit mobilization contributes to broader goals of equity, resilience, and long-term development (Adenuga, Ayobami & Okolo, 2019, Otokiti, 2018).

From a policy perspective, regulators must adopt frameworks that balance stability with innovation and inclusivity. Excessive rigidity in regulations often prevents financial institutions from introducing flexible deposit products or leveraging technology to broaden their reach. Regulatory adaptability is therefore critical. Governments and central banks should design clear, transparent, and flexible rules that allow for the integration of fintech innovations, mobile banking, and agency networks into the mainstream financial system. At the same time, regulatory oversight must ensure consumer protection, cybersecurity, and financial stability, providing safeguards against risks such as fraud, insolvency, or predatory practices. Strengthening deposit insurance schemes and expanding their coverage will reassure depositors that their savings are protected, thus encouraging broader participation in formal financial systems (Ajonbadi, Otokiti & Adebayo, 2016). Regulators must also simplify processes for account opening by reducing bureaucratic hurdles and adopting digital identity verification systems, which can bring millions of unbanked individuals into the formal sector. In addition, governments should promote interoperability across financial platforms to allow seamless transfers between mobile wallets, banks, and cooperatives, ensuring that deposit mobilization efforts are not fragmented across competing systems. Policies that encourage competition within the banking sector, while preventing monopolistic practices, can further incentivize institutions to innovate and offer customer-friendly deposit services.

For banks and financial institutions, operational strategies must be redefined to align with customer-centric principles and technological advancements. Traditional models of deposit mobilization, which relied heavily on branch networks and standardized products, are no longer sufficient in contexts characterized by diverse income groups, cultural variations, and digital disruption. Banks must embrace omnichannel approaches that combine physical branches, agency networks, and digital platforms to reach customers across both urban and rural areas. In doing so, they should develop low-cost and flexible deposit products that cater to small savers, seasonal income earners, and marginalized groups, ensuring inclusivity (Adenuga, Ayobami & Okolo, 2020, Oladuji, et al., 2020). Digital banking platforms should be designed with user-friendly interfaces and offered in local languages to overcome barriers of literacy and accessibility. Partnerships with fintech firms can allow banks to leverage advanced data analytics and artificial intelligence to better understand customer behavior, design personalized deposit products, and provide predictive financial advice that encourages consistent saving habits.

At the same time, operational strategies must emphasize trust-building and transparency. Customers in developing economies are often hesitant to save in banks due to previous experiences of mismanagement, hidden fees, or poor customer service. Banks should therefore adopt transparent pricing structures, responsive grievance mechanisms, and clear communication practices that reassure customers of the safety and fairness of their services. Investments in cybersecurity and fraud prevention systems are essential to protect depositor data and funds in an era where digital banking is expanding rapidly. Beyond risk management, banks must also adopt social responsibility initiatives that connect deposit mobilization efforts with community development projects, thereby strengthening their reputation as institutions that contribute to local progress. By embedding themselves in the social fabric of the communities they serve, financial institutions can foster loyalty and encourage long-term deposit growth (Akinbola & Otokiti, 2012, Otokiti, 2012).

Capacity-building and financial literacy programs form another critical recommendation for strengthening deposit mobilization. Many individuals in developing economies remain excluded from formal financial systems because they lack the knowledge and confidence to engage with banks. Financial literacy is not merely about explaining banking procedures but about empowering individuals to understand the value of saving, assess different deposit products, and make informed decisions about their financial futures (Ashiedu, et al., 2020, Odofin, et al., 2020). Governments, banks, and civil society organizations must collaborate to design and implement large-scale, targeted financial literacy campaigns. These programs should be culturally sensitive, delivered in local languages, and tailored to the specific needs of vulnerable groups such as women, farmers, informal workers, and youth. Interactive methods, including workshops, radio programs, mobile apps, and community theater, can make financial education more accessible and engaging.

Capacity-building should not be limited to customers alone but must also include training for bank staff, agents, and regulators. Employees and agents who interact with customers must be equipped with the skills to provide reliable information, deliver excellent customer service, and build trust. Regulators too must receive capacity-building support to strengthen their ability to oversee innovative financial products, manage systemic risks, and enforce consumer protection standards effectively. By investing in financial literacy and capacity development across all stakeholders, deposit mobilization strategies can overcome cultural and knowledge barriers while creating an environment where both customers and institutions are empowered to participate productively (Akinbola, et al., 2020, Nwani, et al., 2020).

Looking toward the future, the integration of sustainable finance principles into deposit mobilization strategies represents an important recommendation. As global attention shifts toward sustainability, developing economies cannot afford to separate financial growth from environmental and social responsibility. Banks should design deposit products that align with sustainable development goals, such as green savings accounts that channel funds into renewable energy projects, infrastructure for clean water, or agricultural initiatives that promote food security. Such products not only attract socially conscious depositors but also ensure that mobilized funds are directed toward projects that have long-term developmental impact (Ogundipe, et al., 2019, Oni, et al., 2018). Policymakers should incentivize the creation of sustainable deposit products through tax benefits, guarantees, or preferential regulatory treatment, encouraging banks to integrate sustainability into their core business models.

Furthermore, the integration of sustainability requires that deposit mobilization strategies account for resilience against climate change, environmental shocks, and social inequalities. For instance, banks operating in regions prone to climate-related disasters must ensure that their deposit mobilization strategies incorporate mechanisms for disaster recovery and financial resilience. This could include designing savings accounts with features that allow for emergency withdrawals during crises without penalties, or promoting micro-savings accounts that help vulnerable households build financial buffers. By linking deposit mobilization with sustainability, financial institutions not only secure deposits but also play a transformative role in advancing inclusive and environmentally responsible development (Olajide, et al., 2020).

Taken together, these recommendations emphasize that deposit mobilization in developing economies is not a narrow technical challenge but a multidimensional process that requires coordinated action across multiple stakeholders. Policymakers must create adaptive regulatory frameworks that encourage innovation while safeguarding consumers. Banks and financial institutions must adopt operational strategies that emphasize inclusivity, transparency, and technological innovation (Olajide, et al., 2020). Communities must be empowered through financial literacy and capacity-building initiatives that foster confidence, knowledge, and participation. Finally, the integration of sustainable finance principles ensures that deposit mobilization strategies contribute not only to short-term financial stability but also to long-term economic, social, and environmental goals.

By embracing these recommendations, developing economies can transform deposit mobilization into a catalyst for growth and resilience. Mobilized deposits provide the foundation for lending, investment, and entrepreneurship, enabling banks to fulfill their intermediation role effectively. More importantly, when guided by principles of inclusivity, sustainability, and transparency, deposit mobilization strategies strengthen the relationship between banks and communities, reinforcing trust and ensuring participation. The multi-layered model, combined with these recommendations, offers a pathway for developing economies to overcome structural challenges, unlock their financial potential, and chart a course toward sustainable and inclusive economic transformation (Fagbore, et al., 2020, Gbenle, et al., 2020).

2.8. Conclusion

The analysis of deposit mobilization strategies in developing economies has highlighted the centrality of savings in shaping financial stability, credit creation, and long-term development. The exploration of trends demonstrated that while traditional methods such as branch banking and relationship-based trust remain relevant, they have increasingly been complemented by digital banking, mobile money, fintech partnerships, and agency banking. These innovations have expanded outreach and reduced barriers to financial services, yet the challenges remain profound. Institutional and regulatory constraints, infrastructural deficits, socio-cultural barriers, competition from informal systems, governance failures, and macroeconomic instability continue to undermine deposit mobilization efforts. Together, these realities illustrate the paradox faced by developing economies: on the one hand, an urgent need to deepen deposit mobilization to sustain growth, and on the other, persistent structural and systemic obstacles that weaken the capacity of banks to attract and retain deposits effectively.

The proposed multi-layered banking growth model emerges as a transformative response to these challenges. By structuring deposit mobilization across institutional, technological, and community layers, the model provides a holistic framework that goes beyond piecemeal interventions. The institutional layer emphasizes the importance of governance, transparent regulations, and supportive policies that create confidence and enable innovation. The technological layer harnesses fintech, blockchain, artificial intelligence, and cybersecurity to ensure efficiency, personalization, and security in deposit services. The community layer focuses on grassroots engagement, cooperative banking, and financial literacy, recognizing that trust and participation at the local level are indispensable for sustainable mobilization. Most importantly, the integration of these layers ensures that each dimension reinforces the others, creating a dynamic system that aligns depositor needs with institutional strength and technological innovation. This synergy positions the model as not only an operational tool for banks but also a strategic framework for governments, regulators, and communities in their shared pursuit of financial development.

The broader contribution of this model lies in its potential to support sustainable economic growth and financial inclusion. Effective deposit mobilization enables banks to expand credit to businesses, fund infrastructure, and support entrepreneurial ventures, driving employment and productivity. At the same time, inclusive deposit mobilization ensures that marginalized populations women, rural households, and informal workers are integrated into the financial system, gaining access to secure savings and future credit opportunities. By embedding sustainability into deposit mobilization strategies, the model also channels resources toward socially and environmentally responsible investments, aligning financial intermediation with long-term development goals. In this way, deposit mobilization is reframed as more than a banking function; it becomes a lever for resilience, equity, and transformation.

In conclusion, the study reaffirms that deposit mobilization is both a challenge and an opportunity for developing economies. The proposed multi-layered model offers a structured yet flexible pathway for overcoming barriers and unlocking the full potential of banking systems. Its significance lies in demonstrating that institutional reform, technological advancement, and community engagement must work together to build trust, expand access, and create sustainable growth. If embraced, this approach can transform deposit mobilization from a fragmented process into a powerful driver of financial stability, inclusive development, and enduring prosperity in the global South.

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