

# The Effects of Social Media on Consumer Buying Behaviour-A Case Study of Barclays Bank PLC Vs Zanaco Bank, Zambia

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## Abstract

The purpose of this study was to evaluate the effects of social media on consumer buying behavior studying the two banks namely Barclays bank and Zanaco bank Zambia. This study was guided by the main objective which was to examine the impact of social media and its effects on consumers. This research used qualitative design which compares one banking marketing strategies against the other. This study was analysis their entire objectives effectively on through the various ways. Finally, it was concluded that prescribed social media sites offered effective messages to the consumers, particularly from the organization site, this has also relieved in brand positioning among in social media. Social media assistance to create a strong loyal with organizations and features or facilitates are exchanged the information with others in online users.

**Keywords:** Banks, Buying Behavior, Consumer, Social Media.

## Introduction

Social media consists that the network of relations and interaction among various users (individuals or groups). Social media in market, namely instagram, twitter, Facebook enables the users to retain great connections among the customers as well as others by achieving various tasks and facilitating the way of communicating and sharing different information.

Now-a-days, the peoples are in the way of shopping has particularly different and better. The consumers are trying to shop at physical stores like big shopping malls. However, with the coming of modern communication technology and information, consumers are able to shop through the Internet using different Social Media and websites. The Shopping type mode can be known by various names namely Internet shopping, online buying behavior and online shopping where it consists that to the consumer are taking to process of purchasing and buying products and services through the Internet usage with different social networks websites (Li and Zhang, 2002). Social media are web-based services known as social networking websites. Social networking sites defined the people using to the network of interactions and relationships among

different users who can be in groups or as individuals. Social networks are plays an essential role in different aspects of our lives. The interesting part of social network is that it supports users in several sectors such as, advertising, business, marketing and education. From a business standpoint, where the business can able to interact directly with their buyers by using social networks, and where the consumers are looking for that what type of products and services are therein.

Today, the consumers are gradually using mobile technology, especially the peoples are using Social Media networking with effective tools in their online shopping. The process of online shopping is referred where the consumers are using an electronic that accepts allows the peoples to deal with their purchasing needs. Social Media networking has played a significant role in dispersal this phenomenon faster. Social media communications are result in increasing the level of satisfaction for the potential consumer that results in real shoppers. In addition to changing existing potential consumers into buyers, Social media encourages those buyers to promote and share their purchasing experience with their friends and family by giving their positive or negative opinions on product purchased and service rendered. Social media enables consumers to post links about products and services information in their retail sites and update other users about the purchasing process.

A study by Miller and Lammas, (2010) stated the social marketing are essential role in encouraging the consumers' mind by taking frequent online shopping activities. He also found the most of the consumers are watching social media networking to use optimal information. And some of them are made the decision to buy some products by own Miller and Lammas, (2010). The idea of social media networking is considered as top of business in today's market. Hence the firms are trying to utilize these social media applications such as whatsapp, facebook and Twitter etc. Every social media networking is trying to attract their customers at different levels. Thus, making social networking media an important marketing tool for companies to involve with their customers In a competitive environment, businesses may usage social networking media as a communications tool to attract their customers and reach their target group with effective messages at low cost.

Weinberg (2009) stated that environmental walls were split into different individuals are crumbling and to purchase new online products with emerging in social media. It is also stated that information sharing with friends and families where the company is taking the discussion in chat rooms, discussion boards the results boosts their selling of products and services. According to Vollmer and Precourt (2008) concepts are clearly stated that social media websites are created effective way of customer conversations related of products and brands discussion. This may the customers are aware of products and brands in the market available. This electronic work-of-mouth are pushing effective way enrichment amount customers. It is one of the types of social establishment.

## **Barclays Bank PLC**

Barclays has more than 325 years of history from their beginnings in Lombard Street, London, it was built over centuries with an extraordinary achievement, especially against the backdrop of multiple financial crises, international conflicts, and agricultural, industrial and now TECHNOLOGICAL revolutions. Barclays story is that through their rich achieve of ledgers, minute books, letters, equipments, photographs and the range of cases unexpected, curiosities households in the Barclays group archives. The achieve material is simply unique, priceless and irreplaceable. They don't just tell the story of Barclays's businesses are in universal level, it also to connect the depth and strength of the values that have underpinned Barclays from the starting place. And it's just not the division of a bank, but it's the story were pass as serve, as well as their colleagues, buildings and services. These archives allow them to share such stories with its esteemed consumers as their marketing strategy.

## **Zanaco Bank**

Zambia national commercial bank (ZANACO) was recently listed among the fastest growing banks on the social media platform of Facebook by social-bakers. Social-bakers is a cloud based social media marketing platform for businesses. Zanaco bank embarked on rebrand exercise aims at making Zanaco the top transaction bank. These were currently close to 1.6 million Facebook users in Zambia as of march 2018, this information was according to Facebook and Zanaco itself has over 131 000 Facebook fans. The Zanaco Facebook page which was only published in 2017 has drastically become one of the fastest growing pages in Zambia. This can be attributed to the banks' efforts in increasing its brand visibility with various campaigns between them are the bank here which got a lot of people anxious when it was launched in the late 2017.

## **Literature Review**

This review consists of an empirical review of literature, classifications of social media, it explains social media network sites, types of social media, views of consumer decision making, the purchasing power of consumers, consumer buying behavior and an understanding of the consumer behavior and how their buying behavior takes place in the social media environment. Understand which type consumers are influenced by social media. Understand why consumers use social media to purchase, Type of social media, mainly used by consumers and their intention to buy under the social media context.

Social media networks are an opportunities in which the applications and contents are constantly exchanged and modified by the users who are in collaborative and participation manner, and no lengthier simply created to publish by the peoples (Kaplan and Heinlein 2009). Researchers and media experts have proposed various definitions for social media. Kaplan and Haenlein (2010) refers the common explanation of social network media wherein consideration of User-Generated and Web 2.0 Content. Social media networks is an application based on an internet group that to build on technological and ideological foundations of Web 2.0 and that accepts the formation and

exchange of User Generated Content (Kaplan & Haenlein, 2010).

Parr (2010), his concepts where the social networking media as the use of the internet and electronic tools for the purpose of discussing and sharing the experiences and information with other persons effective aspects. Jantsch (2008) consists that the social media networking as the usage of technology shared with social communication to create or co-create value. Dykeman (2008) refers that the social media networking as “the means for any individual to: creative content, publish digital, provide and obtain real-time response through online discussions, commentary and evaluations.”

According to Mayfield (2008), consists that there are essentially different kinds of social media working such as content communities, forums, podcasts, wikis, blogs, social networks and micro blogging. Kaplan and Haenlein (2010) also proposed a similar variation in social media, which includes virtual social worlds, virtual game worlds, collective projects, social networking sites, content communities, micro blogs and related blogs. In this study, the statement by Mayfield will be taken as the criterion in assessing applications that are under social media. According to Mayfield (2008) Social network sites or social network services are network sites that allow people to establish personal WebPages and connect with friends for the purpose of sharing information and communication.

A “stage model” of the buying decision process has been developed by many marketing scholars and according to these researchers’ consumer decision process is an integral part of the buying behavior (Howard and Sheth, 1969, Engel et al, 1995, Bettman et al, 1998). According to Kottler et al (2009) The common elements of decision making can be broken into stages of experience, however consumers do not always pass through all five stages in buying a product.

According to Howard and Sheth (1969) pre-purchase behavior and post-purchase behavior are the main stages of the decision process, the three stages of pre-purchase behavior, problem recognition, information search and evaluation of alternatives are likely being formulated, changed and reformulated until the decision is made. Mitchell and Boustani, 1994) states that after a purchase, the post-purchase behavior stage begins and this stage includes evaluation which leads to satisfaction of consumers, purchasing the product again and having a tendency to say good things about the product.

## **Problem Statement**

Social media marketing is especially critical in the banking industry where there is not much product differentiation and basing it on the fact that almost all financial institutions offer the similar services across all sectors, hence the constant need for a significant way of marketing. However, it can be urged that in the same line of thought, all banks can also access social media platforms as well as social media marketing. Not forgetting the most important aspect of the topic that social media marketing falls under the fourth pin product mix which is promotion, also for customer communication in the business world.

### ➤ **Competition**

It is the core of the problem statement of this research, depending on how a business advertises or markets its services, consumers always go for the catchiest one. Consumers are the profit providers of every business entity out there, hence enticing them to go for the services being provided entirely depends on a business's strategic approaches to such.

With other banks using social media as their advertisement platform like Zanaco for instance, Barclays and other financial institutions are in competition with each other sharing a common interest but different background.

### **Objectives of the Study**

#### ➤ **General Objective**

The general objective of this study is to examine the impact of social media and its effects on consumers

#### ➤ **Specific Objectives**

And the specific objectives also include;

- To examine the factors that motivate consumers to buy a product or service.
- To examine how much social media has affected consumers buying behaviour through Facebook.
- To finally examine the behavior of consumers towards the purchase of services or products offered by banking institutions.

### **Significance of the Study**

The significance of my study is to understand and identify the relevance of social media advertisement through Facebook.

It has been suggested by the researchers that the consumers look for information assisting them in deciding the relative significance of several appraising criteria, and might further seek concepts regarding the degree to which they alternate features that they consider significant.

Online consumers are confined to sharing information with their neighbours, family and friends. However, now people are able to impact the international community by articulating their personal experience on social media.

### **Scope of the Study**

The scope of this study is Barclays bank as a whole comparing it to Zanaco bank Zambia on how the use social media (Facebook) are used as an advertisement platform. Studying the behaviour

of consumers based in Lusaka, Zambia, how they utilize the marketing efforts of these banks and how they arise at a decision of which bank is best suiting them.

## **Research Methodology**

This portion describes the methods adopted for this study. The portion also discusses the research design, population of the study, research instruments, sample size and the sources of data for this study.

### **➤ Research Design**

This research will use experimental research which involves a direct assessment of how one variable influence another. In this case, how Barclays Bank PLC. Marketing strategies on social media influence's ZANACO bank Zambia and its consumers. The research will also use qualitative research.

Qualitative research is exploring and understanding the meaning individuals or groups ascribe to a social or human problem (Creswell, 2013). Through qualitative research, the process of research involves merging questions and procedures, data typically collected in the participant's setting, data analysis inductively building form, particulars to general themes and the researcher making interpretations of the meaning of the data (Creswell, 2010).

On the other hand, quantitative research is testing objective theories by examining the relationship among variables which can be measured, typically on instruments, and that numbered data can be analyzed using statistical procedures (Creswell, 2010). In quantitative research, the researcher engages in assumptions about testing theories deductively and applies strategies and collects data to lead numerical and statistical data.

In addition to this, qualitative data are collected through interaction with specific individuals in order for the researcher to gain an insight into how the topic is viewed by other people, this will be conducted through the use of questionnaires, So, the idea of qualitative research would produce data being connected to “numbers” rather than “words” to understand how consumers communicate through social interactive tools making a buying decision.

### **➤ Data Collection Methods**

The main research instrument for this research will be the use of questionnaires since they are reliable in collecting information about the same questions on the objectives on the subject from different respondent's and also in view of the targeted respondents have tight schedules especially within a relatively short period of time. The questionnaires will used are both open ended and closed ended questions so as to follow up for further probing in view of getting in depth response and structured answers.

The collection of data for this research will be both secondary and primary data using questionnaires from the study population. Secondary data; this is information that has already

been published by another scholar in relation to the related study topic. Primary data; is unprocessed information, first-hand information that has not in any known manner been published by anyone. In this case, information on how the researcher has understood a particular phenomenon using questionnaires.

### ➤ **Population of Study**

The population of this study was active Facebook users with active bank account of either Barclays or Zanaco bank. The population targeted the age group of 15 years to 35 years individuals in Lusaka Zambia. The population of this study broken down was DMI BBA and BCOM fourth year students with active Facebook accounts and either have an account with Barclays bank or Zanaco bank respectively.

### ➤ **Sampling Frame**

The sample frame for this study will be DMI students Chibombo campus, with an estimated population of roughly 1000 students. The sample population of 40 students in fourth year BBA and BCOM.

### ➤ **Sample Design and Sample Procedure**

Barclays operates as one page on Facebook. The number of followers on its page “Barclays bank Zambia” was some of the targeted sample size for this research.

With this said, the sample size was DMI St Eugene university, Chibombo (students) with active Facebook accounts and bank account holders of the said banks.

Zanaco in comparison with Barclays also has one Facebook page on Facebook for all its branches in Zambia, however, the sample size for this research on Zanaco will be Lusaka Zambia, Chibombo, DMI students with access to Facebook and Zanaco account holders, (using Simple random sampling, small pop and readily available).

### ➤ **Data Analysis Tools**

For the purpose of this research, using qualitative which is concerned with how people think and feel about a particular topic. In this case what the individuals think about Barclays compared to Zanaco advertisement strategies in attracting their customers using social media platforms. The collected data will help this research in answering the research objectives of the study. The collected data will then be interpreted in terms of tables and charts using Microsoft excel and word.

## **Limitation of the Methodology**

### ➤ **Biasness**

The main limitation of this study using experimental research design is that the sample

population is bias in terms of what the bank is preferable hence giving bias response instead of honesty. Some individuals are ZANACO card holders but still prefer Barclays and support its advertisement which means they don't give adequate response, but instead they respond to what they feel should be right and not what actually is right.

### ➤ **Times Consuming**

A mixture of methods will be used in the collection of data which are qualitative and quantitative data collection so as to verify the findings within different data sources. This will allow triangulation and provide flexibility since each selected approach has its own purpose. But there are challenges that came about as a result of using both approaches of data collection. The challenges of using mixed methods is that it required the researcher to analyse both qualitative and quantitative data and required a massive collection of data, as well as being time consuming in entailing an analysis of both numeric data and text. According to O'Leary (2013), the researcher chooses to use mixed methods provided there are no time or money constrains for these methods since they limit the sample size.

## **Findings**

The purpose of this study was to evaluate the effectiveness of social media marketing on customer buying behavior at Zanaco and Barclays bank respectively. This study was guided by the following objectives;

### ➤ **To Examine the Impact of Social Media and its Effects on Consumers**

An analysis of the first objective it was established that the majority use social media site to get answers, and use of brand positioning in social media has helped many remember the brand. It was also established that social media sites have enabled many users to create a strong bond with banks as well as exchange information with other online users. The use of social media sites has enabled many respondents to engage with online friends and meet new people. The social media site has also influenced brand awareness, communication with customers. Online reviews have also affected the perception of product quality.

From the researchers' findings, the population of the study included students who occupy the age of 18 to 30 years old, this age group is the most user of these platforms, of which all being students and still below 30 years, single and unemployed meaning they are not on salary but on allowances from guardians which does not give them so much money to hold huge amounts in their banks. Most of them owning student accounts that do not allow them to have more than a certain limited amount of money in their so called student account. And only a few of which own savings account which does not allow them to withdraw over a certain amount as well. Hence this study proved that social media platforms are influenced by the above reason.

➤ **To Examine the Factors that Motivate Consumers to Buy a Product or Service**

An analysis of the second objective majority of the respondents strongly agreed that they use social media site because it enables them to exchange information with other online users along common areas of interest, e.g. through online chats, it was also established that and banks promote its products and services online. In addition, respondents agreed that they did not like using the Barclays social networking site because it was not easy to interact with, the message is not clear and understandable because it's more advanced than the usual Zanaco local bank, and they get recommendations/views from friends first before buying or using any product or services.

In comparing Barclays and Zanaco to how they advertise their services looking at how many individuals have accounts with these said banks, from the researcher findings, it simply showed that the majority of the students have accounts with Zanaco bank reasons being it is a local and almost free charge bank giving almost free services to have that bank account. At the same time, they prefer Barclays bank to Zanaco even though they don't have accounts with it, but with to immediately after their first commission, Barclays is world-wide bank that can be accessed everywhere giving it a better and broader customer range but expensive and worth it but not just on a student level. The fact that local banks are cheaper for students and unemployed persons it allows them to access the banking services at affordable rates.

➤ **To Finally Examine the Behaviour of Consumers Towards the Purchase of Services or Products offered by Banking Institutions**

An analysis of the third objective it was established that the behavior of one towards purchasing a service is different for every individual but similar patterns. The purchaser is most influenced by their closest surrounding. Most individuals don't just purchase services without asking friends, family or user views. Whenever one is about to purchase a service they have one they would listen to and their opinion matters. These are the influences towards that individual, their opinion will make that person to either purchase that service or not.

It was also established that the majority of the respondents strongly agreed that they trust social media as a source of information on products and services where banks offer timely feedback on their social media site, Equally, also offer transparency on their social media site and it was easy to access banking information related to the said banks on social media. Many claimed to use social media site because they post effective information about services offered by banks. It was also noted that the banks have an online reward program, and many preferred online friends to equity, social media site because they offer their online freebies/discounts. The social media has enabled many to create a social network, adding that the information gotten from social media site is mostly trustworthy. Others prefer the user views opinion. A user view is one who has purchased that particular service they are anticipating to access.

Social media sites are timely, transparent and easy to access. Many organizations also use social

media site because they post effective informative and use of equity's social media has enabled respondents create a social network.

Banks use social media site to exchange information with other online users along common areas of interest. In addition, recommendations/views from friend forms the first area of reference before buying or using any product or services.

Social media site offers valid information to consumers, especially from an organization site this has also aided in brand positioning in social media that has helped respondents remember the brand. Social media site help create a strong bond with organizations and facilitate exchange of information with other online users.

## **Conclusion**

Social media has a huge impact on consumer buying behavior in that its broad, its access across the globe enables individuals to share past and present experience among themselves. These users are the influences of others, their review on how they used and loved or hated a particular service is shared among each other and that leads to either more purchase or no purchases at all. Individuals love affordable but quality services. Hence, banks have that, but for targeted age groups giving them divided target audiences for their services.

The social media site offers valid information to consumers, especially from an organization site this has also aided in brand positioning in social media that has helped respondents remember the brand. Social media site help create a strong bond with organizations and facilitate exchange of information with other online users

## **Recommendations**

Institutions need to continuously use Social media site to offer valid information to consumers especially from an organization site. This should be used to create a strong bond with organizations. The bank should enable the consumer join brand communities and the bank need to ensure the products and services offered on their web site in order to influence customer perception. The Bank need to ensure that the information available is relevant so as to facilitate exchange with other online users. The bank need to continuously utilize social media sites due to their timeliness, transparency and ease of access. There is a need to expand this study to other banks so as to be able to generalize the findings.

The said banks should exercise simplicity, some online banking procedures are not easily understandable by all. Update their information from time to time. Banks like Zanaco online pages still have old promotions on their pages that still mislead viewers thinking promotions is still available. Updated charge rates for their services.

Banks need to ensure that the site is easy to navigate and download content, as well as prompts feedback to the consumer is timely. Firms need to utilize social media sites to post effective

information and the use of social media has enabled respondents to create a social network so as to attract more attention from other social media users. Banks should have a review option for customers to air out their experience in order to attract new users.

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