

Nigeria's Technological Backwardness: Influence on Social Media Advertising on Consumers Choice of Bank: A Survey Data Analysis Based Study

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Abstract

Growth driven by technological advancement is generally accepted as key to the industrialization of any nation. This has made many advanced countries to invest hugely on technology to improve their current state. In Nigeria, the nation has battled with technological backwardness, which has affected productivity in all sectors. Despite this the advantages of technological adoption remains particularly high in advertising and has made many firms especially banks to adopt it because of the inherent benefits in reaching potential target customers. One of the ways in which banks use technology is in Social Media Advertising through which they have been able to highlight their various services to their target markets. Thus, there is need to study how technological backwardness affects social media advertising in consumer choice in selected banks. This study examines this teething issues using a survey of 380 randomly selected undergraduates in Enugu state, Nigeria. The result of the study showed that social media advertising by banks does not influence undergraduate consumers' choice of bank. Also, the study discovered to a high extent that technological backwardness has negatively influenced the impact of social media advertising by banks in Nigeria. Based on the results the study recommended that the government through the NCC and other stakeholders in the country should ensure the availability of Internet services in the country and to make their services affordable.

Keyword: *Technological backwardness, social media advertising, growth, banks, Nigeria*

1 Introduction

Traditionally, there have been diverse means of placing advertisements to reach target customers in places such as billboards, newspapers, magazines, television and radios whilst others include; handbills, leaflets and mobile advertising placed on vehicles (Ogunyombo, Oyero & Azeez, 2017). Over the years, advertising has been an ultimate communication tool used by organizations to reach out to customers, create awareness about their various products or services and increase patronage. However, the advent of the Internet and new media technology, particularly the social media has revolutionized the advertising landscape (Nyekwere, Nnanyelugo & Azubiike, 2014). Ayarekar (2015) observes that social media methods of advertising are now more powerful in the sense that they can actively interact (instantaneous feedback) with advertisements placed on the social media by liking, commenting, rating, re-tweeting, advocating and sharing them to other Internet users. This interactivity, aided by the growth of human communication through the social media has thus, changed the consumer

consumption habits by providing them with new ways of looking for, accessing, choosing, and buying goods and services (Albors, Ramos, & Hervás, 2008). For clarity, social media are mobile and web-based applications that allow individuals or groups to engage in conversations and exchange of contents (Kaplan & Haenlein, 2010). The Social Media Advertising (SMA) is one of the newest forms of advertising, and among its aims includes to captivate people's attention and encourage them to share social media campaigns/advocacy through various social media platforms

In recent years, this mode of advertising has gained prominence and wide acceptability particularly in the more advanced economies (Belch and Belch 2017). Several big companies like the e-commerce businesses (Conga.com, Alibaba.com etc), and big businesses such as Nike, MTN, Coca cola among others have become "enamored with the potentials provided by these social media platforms as a result of its targeting capabilities, low costs, and the high levels of engagement of their members" (Belch & Belch, 2017, p.14). On the other hand, organizations in Nigeria especially banks are beginning to employ social media advertising as a complement to the traditional methods to reach current and potential customers. Statistics from Nigerian Communications Commission (NCC) shows that about 144 million Nigerians are mobile users and more than 98 million are on the Internet (Bank report by Toolz Academy, 2017). Despite these statistics, the use of these technological advancements is hampered by the level of technological backwardness in Nigeria. This is evident with the high cost of Internet to users, poor infrastructure, high levels of corruption/fraud, lack of skilled labor and high cost of placing adverts using the mass media. These have created potential difficulties for organizations to utilize the advantages inherent in this medium in getting consumers to be aware of their products and services. On the part of customers, the use of Internet is very expensive and unaffordable for them, which negatively affects the use of the medium for advertisement. This study therefore investigated whether the advertisements placed on various social media platforms influences choice of bank of students in tertiary institutions and the attendant impact of technological backwardness in the use of these platforms.

2 Methodology

The survey research design was adopted for this study due to "its ability to investigate problems in realistic settings" (Wimmer & Dominick 2014, p.185). Survey research is an empirical study that uses questionnaires or interviews to discover descriptive characteristics of a phenomenon (Asemah, Gujbawu, Ekharefo & Okpanachi, 2012). This study employed a well-structured questionnaire to elicit information from the 380 undergraduates in Enugu state. The universities selected were University of Nigeria, Nsukka; Enugu State University of Science and Technology and Godfrey Okoye University. The likert nature of the data means that only mean will be used to analyze the objectives. Specifically, decision for the first objective was 2.5 cut-off mean for a 4 points likert scaled instrument. For the second objective, the study adopted the real limit mean to enable us categorize the extent to which technological backwardness has affected social media advertising. The analysis of the elicited information was done with STATA analytical software package.

Data Analysis and Discussion of Result

Table 1 Mean, Standard Deviation (SD) and Decision for the Influence of Social Media Advertising on Student Choice of Banks

Influence of Social Media Advertising on Student Choice of Banks	Mean	SD	Decision
Does the use of Social Media for advertisement by banks influence your choice of bank?	2.31	0.58	Rejected

Source: Researchers Computation

The result on table 1 showed that the respondent with a mean of 2.31 rejected that the use of social media for advertisement influences students' choice of banks. This was not expected considering the huge financial resources banks spend for the advertisement. However, this could be attributed to several factors like technological backwardness, satisfaction with the services of a particular bank, proximity and availability of the bank in the area, insufficiency of money to open another bank account and individual differences amongst others.

Table 2 Mean, Standard Deviation (SD) and Decision for the Influence of Technological Backwardness on Social Media Advertising on choice of banks

Influence of Technological Backwardness on Social Media Advertising	Mean	SD	Decision
Does high cost of data reduce the time you spent on the internet?	3.74	0.58	VHE
Does high cost of data reduce the viewing of social media advertisements?	3.88	0.35	VHE
Does poor network affect your viewing social media advertisement?	3.39	0.83	HE
Does non-availability of internet service affect your use of social media?	3.52	0.85	VHE
Cluster Summary	3.63	0.22	VHE

Source: Researchers Computation

Table 2 highlighted the influence of technological backwardness on social media advertising on consumers' choice of banks. The result showed that the respondents with mean of 3.74 indicated that high cost of data reduces the time they spend on the internet. Also, the result showed that the respondent with a mean of 3.88 indicated that high cost of data reduces their viewing of social media advertisement. More so, with mean of 3.39 the respondents indicated that poor network affects their viewing of social media advertisement. Furthermore, the respondents with mean of 3.52 indicated that non availability of internet services affects their use of social media. This means that the respondents accepted that these technological backwardness indices affect negatively social media advertising. To buttress this, the cluster summary mean of 3.63 fell

based on the real limit decision method fell on very high extent. This implies that technological backwardness has to a very high extent negatively affected social media advertising by banks in Nigeria.

4 Conclusions and Recommendations

This study has examined technological backwardness and its influence on social media advertising on consumer's choice of banks. The study employed primary data with a well-structured questionnaire. The result from the analyses showed that the use of social media for advertisement has not influenced students' choice of banks. This made the study inquire the level to which technological backwardness could influence the students' use of social media. The result showed that to a very high extent technological backwardness negatively affected social media advertising on choice of banks. Based on these the study suggests that the government through the NCC and other relevant stakeholders in the industry should not just ensure the availability of internet services but also seek to reduce the cost of using internet services in Nigeria in order to increase availability and number of users. Banks should also leverage social media as a vehicle in gaining insights into audience needs and consider factors likely to influence consumers' choice of bank. This in turn would ensure effectiveness in turning prospective customers to their organization while retaining existing ones and increasing their clients' base.

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