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# Social networking as the panacea to enhanced financial service delivery in Zimbabwe during and post the COVID-19 pandemic

Sandra Chinhema
Liang Qu
*School of Business Administration / Zhejiang Gongshang University*

***ABSTRACT:*** *The central focus of this study was to examine social networking as the panacea to enhanced service provision in the Zimbabwean financial services sector. Zimbabwe's banking landscape faced a myriad of challenges since the advent of the 21st century, resulting in loss of confidence. The COVID-19 pandemic worsened the situation for the Zimbabwean financial institutions, as the national lockdowns restricted people's movements, and access to their money in the banks. Use of technology and social networking are some of the options for sound financial service delivery in Zimbabwe. Financial technology makes it possible for the banking entities to use social networking in their service provision. Clients' use of social media has become a social practice and the banking entities are focusing on interacting and engaging with their clients through social media. This study applied mixed methods and focused on 19 registered banking entities in Zimbabwe, as on the 31st of December 2020. There was use of questionnaires, key informant interviews, and documentary analysis to collect data. Descriptive statistics were used to analyse quantitative data while qualitative data wan analysed thematically. The study showed that the COVID-19 pandemic affected the way in which people conduct banking transaction, and there was adoption of online banking platforms. Social networking sites were used for spreading information about banking products and for bank-client interactions. However, a number of factors compromise sound social networking and enhanced financial service delivery in Zimbabwe, and these include high cost of technology, and inadequate telecommunications services in rural areas, which prevent people from social networking. One of the significant suggestions made in this study is that Zimbabwe needs to formulate vibrant strategies for electronic government, so that there is enhanced access to gadgets, and internet thus allowing people to engage in social interactions.*

***KEYWORDS****: COVID-19 Pandemic; Financial Services; Social Networking*

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## I. INTRODUCTION AND LITERATURE REVIEW

Since the onset of the post-millennium era, the Zimbabwean financial services sector has been in a constant transformation. The Reserve Bank of Zimbabwe (2020) showed that 19 banking institutions were registered, as on the 31st of December 2020 (see Table 1 in the Methodology Section), a totally different situation from the scenario two decades ago. In the year 2004, weak corporate governance practices led to the collapse of a number of financial institutions (Madziwa and Sibanda, 2018), and marking the beginning of 'loss in confidence' in the Zimbabwean formal banking system. While the adoption of the multi-currency regime in the year 2009 seemed to bring some relief to the Zimbabwean financial services sector, another wave of institutional collapse followed in the years 2012, 2013, and 2014 with the RBZ closing banking entities like Interfin Bank, Kingdom Bank, Royal Bank, and the Zimbabwe Allied Banking Group. Accordingly, and as noted by Madziwa (2017), the Zimbabwean financial sector has undergone tremendous changes in the last two decades. One of the key questions once posed by the economic analysts was whether Zimbabwe is 'over-banked' (Gavaza et al., 2019), and the transformations in the financial services sector, including bank collapse and takeovers, seemed to answer the question. The number of financial institutions in Zimbabwe were deemed to be too many for the size of the economy (Mafuta, 2017; and Gwena et al., 2018). The banking crisis worsened beginning the year 2015, with the 'cash shortages' being experienced. Banking clients were unable to freely access their money from the formal banking entities, with 'cash' being sold at a premium in the streets (Madziwa and Sibanda, 2018). The worsening economic crisis was one of the reasons for the political changes that took place in the year 2017, with the coming in of the 'new dispensation'. However, policies by the new government tended to 'add fuel into the fire' as there were concerted efforts to reintroduce the Zimbabwean dollar, which led further erosion of the confidence in the formal financial services sector (Chirume, 2021). As a result, by the year 2019, before the COVID-19 pandemic, the Zimbabwean financial services sector was already 'battered' by a myriad of challenges, culminating in the shunning of the formal banking services, with the banks being used mainly for salary deposits.

The COVID-19 pandemic worsened the situation for the Zimbabwean financial institutions, which were already facing some challenges (Institute of Bankers Association of Zimbabwe, 2020). The COVID-19 induced national lockdowns restricted people's movements, and access to their money in the banks. The COVID-19 pandemic resulted in curfews, social distancing tactics, and the usage of social media for information sharing and seeking timely decision making (Resti, 2021). The social distancing techniques and lockdown accelerated the rate of technology adoption, including a substantial use of online banking (Chirume, 2021). Accordingly, the banking entities in Zimbabwe needed to adopt strategies for enhancing service delivery. Use of technology and social networking are some of the options for sound financial service delivery in Zimbabwe.

Achugamonu et al. (2020) postulate that poverty cannot be eradicated completely when a larger percentage of the populace continuously and persistently live and work within the informal financial environment that does not guarantee access to cheaper and adequate financial instruments to help them build wealth and sustainable financial security for themselves and family. In addition, access to financial services helps to ensure inclusive development, as pointed out by Craven (2020) that there is a need for a pro-poor approach that values and incorporates the contributions of all stakeholders, including marginalised groups, in addressing development issues. Akinyemi and Mushunje (2020) point out that technological developments have made it possible for the banking institutions to go beyond the 'brick and mortar' based service provision to use of financial technology (FinTech). FinTech, for example, electronic and telephone banking have revolutionised the way people transaction, especially with the advent of electronic banking and telephone banking. According to Ene (2019), FinTech products and services have promoted financial inclusion, and these include digital payments and e-money, international remittances, personal loans for low-income earners and business loans for SMEs, peer-to-peer (P2P) lending platforms, crowdfunding platforms, robo-advisors and cryptocurrencies. FinTech make it possible for the banking entities to use social networking in their service provision. Gavaza et al. (2019) also argue that social media networks, such as Facebook, have become an essential communication tool with, which businesses can interact with clients.

According to Lin et al. (2017), social networking has become an everyday part of many peoples' lives as evidenced by the huge user Communities. Social networking involves the use of the internet to connect users with their friends, family and acquaintances. Social networks consist of a number of individuals each with a set of attributes or characteristics of their own. Based on their connections, the relationships build a distinct pattern (Agur et al., 2020). Social networking is built on the idea that there is a determinable structure to how people know each other, whether directly or indirectly (Ngacaku, 2019). In the same way, Feyen et al. (2021) argue that organisations can link with the clients in the same way. Social networking websites are about connecting with friends, family and acquaintances one already has in real life, and there is also meeting of new people (Horak et al., 2018). Therefore, and as Jackowicz et al. (2020) point out, social media networking and websites played a significant role to gain substantial popularity in the information searches and the subsequent purchase decisions. In the same view, Mhlanga and Denhere (2020) state that there is emerging importance of clients' communication through such websites as a part of making their purchase decisions. Organisations utilise social network sites by adopting the internet as a platform that enables its administration to significantly contact with online users by creating a strong and direct relationship with them (Feyen et al., 2021)). Social interaction is a major issue on the social networking sites where interacting with friends can accumulate social capital, defined as resources that are available to people through the social interaction with others (Agur et al., 2020).

The Social Network Sites (SNSs) have dramatically changed the ways people connect each other by which people create and maintain their social relations on the Web (Sadiku et al., 2019). SNSs connect people based on different features with different technologies. According to Feyen et al. (2021), most sites support the maintenance of pre-existing social networks, but others help strangers connect based on shared interests, political views, or activities. Some sites cater to diverse audiences, while others attract people based on common language or shared racial, sexual, religious, or nationality-based identities. Sites also vary in the extent to which they incorporate new information and communication tools, such as mobile connectivity, blogging, and photo/video-sharing Social media has become a new and very essential element of the life of society as a whole, as well as for the majority of individuals, including those who previously had no involvement with information technology. Social media has captured the attention of billions of people all around the world (Jackowicz et al., 2020). It has become a symbol of modern civilization, and its popularity has skyrocketed, particularly among young people (Jackowicz et al., 2020).

In addition, Resti (2021) argues that consumers have also started utilising social networks increasingly to learn more about brands as well as visit firms' websites. Furthermore, as new market segments arise, many organisations use social media and other social media platforms, making it a significant business tool (Chirume, 2021). There are several business ventures that heavily rely on the availability of pages on social networks such as Facebook, LinkedIn, and Twitter (Jackowicz et al., 2020). Social networks can be a signal of reputation by spreading knowledge about organisations and their operations, which means that a financial institution's social networks can facilitate their market growth and competitive advantage (Cote, 2019). Thus, the Zimbabwean financial institutions may use social media in a variety of ways, including marketing, providing incentives, facilitating applications for new accounts, inviting feedback from the public, and engaging with existing and potential customers, for example, by receiving and responding to complaints, or providing loan pricing.

Clients' use of social media has become a social practice; as a result, retail bankers are increasingly focused on interacting and engaging with their customers via social media in order to understand their requirements and expectations (Chirume, 2021). The widespread usage of social media offers more options for banks to communicate with consumers in order to acquire timely feedback and enhance service quality. Due to the participatory, interactive, and collaborative nature of social media, the banking entities have additional opportunity to motivate and educate their clients (Resti, 2021).

## II. THEORETICAL FRAMEWORK

This study applies the Social Network Theory, which is supported by the Uses and Gratifications Theory. The succeeding sub-sections elaborate on these two theories.

### 2.1 Social Network Theory

According to Cote (2019), the Social Network Theory has become a phenomenon based on Barne's (1954) seminal research on social relationships in a small parish in Norway in the 1950's. Barne's (1954) explored relationships using an ethnographic field study to analyse the relationships of individuals in a social class, thus receiving credit for coining the phrases 'networking' and 'social networking' (Sadiku et al., 2019). Barnes (1954) also concluded relationships between friends, leaders, followers, acquaintances, and followers are based on a combination of strong ties and weak ties that are intertwined within the diverse groups in the social class. In Gräbner et al. (2017) argue that the Social Network Theory as a mere tool is largely agnostic with respect to causal relationships in the formation of network structure and mechanisms on it. Social media is strongly linked to the Social Network Theory. Chai et al. (2018) define the Social Network Theory as a theory that explains how groups or individuals will interact based on nodes and linkages in a network. Lin et al. (2017) explain a social network as consisting of nodes and ties. Nodes being actors, these actors can be individuals, organisations or groups. Ties represent the relationships between the actors. The performance and actions of actors are facilitated or hindered by the ties in which the actors are embedded in. Horak et al., (2018) classify different types of ties which include communication ties (actors talking and sharing information or advice), formal ties (in a formal structure such as boss subordinate relationship), affective ties (affection or disaffection for each other), material or work flow ties (based on flow of resources), proximity ties (closeness to one another) and cognitive ties. Actors in a network will typically share more than one type of tie (Valente and Pitts, 2017).

### 2.2 Uses and Gratifications Theory

Katz et al. (1974), as cited by Ajimakin (2018), pioneered the Uses and Gratification Theory in 1974. However, according to Hossain (2019), the theory could be traced from the early 1940s when researchers started investigating why people listen to popular radio programmes and why they read newspapers daily. Therefore, the theory emerged in response to the needs of explanation to why people use certain media, and the benefit they get from them (Musa et al., 2015). The Uses and Gratification Theory has been the main theory of communication that explains what people do with the media (Mehrad and Tajer, 2017). The emergence of social media technologies changes the way people use mass media as they differ in forms and context (Hossain, 2019). Therefore, people who use social networks and other computer-mediated communications are quite different from the mainstream media audiences who relied on specific media contents (Lin et al., 2017). Social media audiences have the advantage and freedom to actively seek for information and many messages that are of interest and benefit to them (Cote, 2019). Vinney (2019) also argues that the Uses and Gratifications Theory asserts that people use media to gratify specific wants and needs. New media technologies do not only alter the way information is gathered and distributed, but also changes the existing relationship between mass media and their audiences. The Uses and Gratification Theory or 'need seeking' is one of the theories of communications that focuses on social communications. This theory adapts a functionalistic approach to communications and media, and states that media's most important role is to fulfil the needs and motivations of the audience (Mehrad and Tajer, 2017). Therefore, the more these needs are met, the more satisfaction is yielded (Vinney, 2019).

## III. RESEARCH OBJECTIVES

The overall objective of this study was to examine the relevance of social networking as the panacea to enhanced financial service delivery in Zimbabwe during and post the COVID-19 pandemic. The specific research objectives were to:

3.1.1 Examine the influence of the COVID-19 pandemic on financial service provision in Zimbabwe;
3.1.2 Discuss the relevance of social networking in enhancing provision of financial services in Zimbabwe, during and after the COVID-19 pandemic;
3.1.3 Analyse the factors compromising sound social networking and enhanced financial service delivery in Zimbabwe; and
3.1.4 Propose options for enhancing utility of social networking and financial service delivery in Zimbabwe.

## IV. CONCEPTUAL FRAMEWORK

To provide a conceptual framework, Social Network Theory and the Uses and Gratifications Theory are employed. The Social Network Theory points out that people connect and share information through media. The media also helps to satisfy people's gratifications, and thus helps in increasing interactions. Figure 1 below shows the conceptual framework.

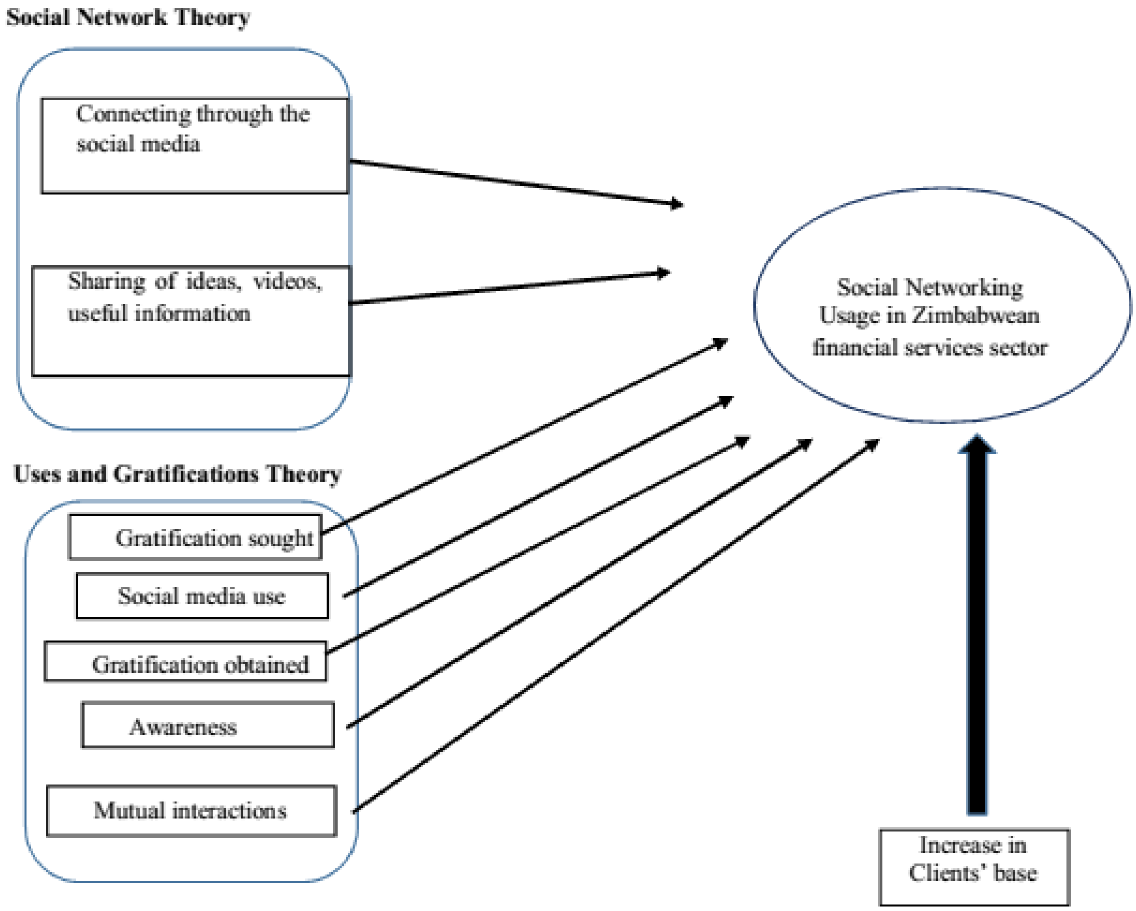


**Figure 1: Conceptual Framework**

Figure 1 shows that the social media is providing a connection channel for people. Social media use also helps in enhancing gratification, awareness, and mutual interactions. Accordingly, the Zimbabwean financial services sector can take advantage to the social media to enhance interaction with clients. Social media and networks help in providing banking services 24/7.

## V. RESEARCH METHODOLOGY

This study was a complementary mixed method study and descriptive in nature. The study focused on social networking as way for enhancing service delivery in the 19 financial institutions in Zimbabwe, who were registered by the Reserve Bank of Zimbabwe, as on the 31st of December 2020. Table 1 shows the 19 banking entities, and their categorisation.

**Table 1: Registered Banking Institutions in Zimbabwe as on the 31st of December 2020**

| # | Type of Banking Institution | Name of Banking Institution | Registered Address, Telephone Contact and Website of Banking Institution |
|---|---|---|---|
| 1 | Agricultural Development Bank | Agribank (now Agricultural Finance Corporation) | 15th Floor, Hurudza House, 14-16 Nelson Mandela Avenue, Harare. Phone: +263242774429; +263242773704/5; +263242774554. www.afc.co.zw |
| 2 | Commercial Bank | Banc ABC | 1 Endeavour Crescent, Mt. Pleasant Business Park, Harare. Phone: +263242701636/52; +263242739089 www.bancabc.com |
| 3 | Commercial Bank | First Capital Bank (Formerly Barclays Bank) | 3 Anchor House, 1st Street/Jason Moyo Avenue, Harare. Phone: +263242758280/99; +263242758324 www.firstcapitalbank.com |
| 4 | Commercial Bank | CBZ Bank | 3rd Floor, Union House, 60 Kwame Nkrumah Avenue, Harare. Phone: +263242749714; +263242748050/79, +263242759110/6. www.cbz.co.zw |
| 5 | Commercial Bank | Ecobank | Sam Levy's Office Park, Block A, Piers Road Borrowdale, Harare. Phone: +263242851642/7. www.ecobank.com |
| 6 | Commercial Bank | FBC Bank Limited | FBC Centre, Nelson Mandela Avenue, Harare Phone: +263242704481/77. www.fbc.co.zw |
| 7 | Commercial Bank | Nedbank Zimbabwe Limited (formerly MBCA Bank Limited) | Old Mutual Centre, 3rd, Street/Jason Moyo, Harare Phone: +263242701636/52. www.mbca.co.zw |
| 8 | Commercial Bank | Metbank Zimbabwe Limited | Metropolitan House, 3 Central Avenue, Harare Phone: +263242706091; +263242706128. www.metbank.co.zw |
| 9 | Commercial Bank | NMB Bank Limited | 4th Floor, Unity Court, Kwame Nkrumah Avenue, Harare. Phone: +263242759651/9; www.nmbz.co.zw |
| 10 | Commercial Bank | Stanbic Bank Zimbabwe Limited | Stanbic Centre, Samora Machel Avenue, Harare. Phone: +263242759471. www.stanbicbank.co.zw |
| 11 | Commercial Bank | Standard Chartered Bank Zimbabwe Limited | 1st Floor, Standard Chartered Bank Building, Corner Sam Nujoma Street/ Nelson Mandela Avenue, Harare Phone: +263242253801-7, www.stanchart.co.zw |
| 12 | Commercial Bank | Steward Bank Limited | 2nd Floor, 101 Kwame Nkrumah Avenue, Harare Phone: +263242791444-8. www.stewardbank.co.zw |
| 13 | Commercial Bank | ZB Bank Limited | 21 Natal Road, Avondale, Harare Phone: +2632428677002001. www.zb.co.zw |
| 14 | Building Society | Central African Building Society (CABS) | Northridge Park, Northend Close, Borrowdale, Harare. Phone: +263242883823/59. www.cabs.co.zw |
| 14 | Building Society | CBZ Building Society | Beverley Place, 3 Selous Avenue, Harare Phone: +263242792631/5. www.cbz.co.zw |
| 16 | Building Society | FBC Building Society | 5th Floor, FBC Centre, Nelson Mandela Avenue, Harare. Phone: +263242783203-9. www.fbc.co.zw |
| 17 | Building Society | National Building Society | 14th Floor, Social Security Centre, Corner Sam Nujoma Street and Julius Nyerere Way, Harare. Phone: +263242700032,35,39,42. www.nbs.co.zw |
| 18 | Building Society | ZB Building Society | 6th Floor, Finsure House, Corner. Kwame Nkrumah and Sam Nujoma, Harare. Phone: +263242252978, www.zb.co.zw |
| 19 | Savings Bank | POSB | 6th Floor, Causeway Building, Corner Third Street and Central Avenue, Harare. Phone: +263242729700-9; www.posb.co.zw |

**Source: RBZ (2020)**

Table 1 shows that there are three main categories of banking entities in Zimbabwe, namely, commercial banks, building societies, and a savings bank. There was collection of data from these 19 banking institutions, attention being on eliciting information pertaining to the influence of the COVID-19 pandemic on the banking sector, the potential of social networking, challenges that compromise social networks, and the options for enhancing their relevance. Purposive sampling (expert-based) was used to select senior bankers. Data were collected using a self-administered questionnaire (see Appendix I) with five respondents being selected in each of the 19 banking entities. Key informant interviews were used to complement data from the questionnaires (see Appendix II). The saturation principle was used to determine the sample size, with data collection being discounted when there was no longer any new information. Secondary data complemented the questionnaires and key informant interviews. There is a lot of information available on the discourse of social networking in the Zimbabwean financial services sector. Sources of secondary data include RBZ's Bank Supervision Annual Reports, Reports by the Institute of Bankers of Zimbabwe, and the Annual Reports of Financial Institutions in Zimbabwe. Quantitative data were captured and analyses using the Statistical Package for Social Sciences (SPSS), which also made it possible to compute descriptive statistics, and One Sample t-Test. Qualitative data were analysed thematically, in line with the research objectives.

## VI. FINDINGS AND DISCUSSION

The findings of the study are presented thematically, in line with the research objectives. There are four major themes, the first one focusing on the influence of the COVID-19 on financial service provision in Zimbabwe. The second theme discusses the relevance of social networking in enhancing provision of financial services in Zimbabwe, during and after the COVID-19 pandemic. Third, attention is on analysing the factors compromising sound social networking and enhanced financial service delivery in Zimbabwe. Fourth, propose options for enhancing utility of social networking and financial service delivery in Zimbabwe are presented. Before presenting the findings, attention is on the response rate and profile of the respondents.

### 6.1 Response Rate and Profile of Respondents

This study sought to collect data from 95 respondents (five from each of the 19 registered banking entities as at 31st December 2020). The study obtained a good response rate, with responses coming from 81 respondents (85%). The profile of respondents shows that there was some gender balance, with 43 out of the 81 (53%) being males while 38 (46%) were female, as shown in Figure 2.

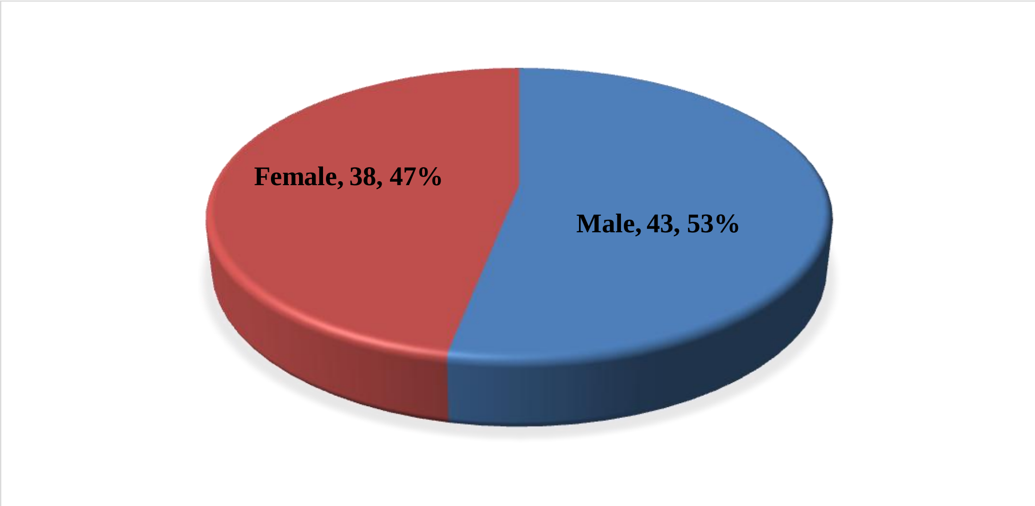


**Figure 2: Gender of Respondents**

The respondents also provided their age profiles, with the data showing that none of them were below the age of 31 years, with 28 out of the 81 (35%) in the 31-40-year age category, 33 (41%) were between the ages of 41 and 50, while 20 were in the 51-60-year group. None of the respondents was above the age of 60 years. Data on work experience showed that all the 81 respondents had adequate knowledge about the Zimbabwe financial services sector, given that none had a tenure of less than 6 years. Table 2 shows the findings on work experience.

**Table 2: Work Experience in the Zimbabwean Financial Services Sector**

| Age Category (Years) | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| 6-10 | 18 | 22.2 | 22.2 | 22.2 |
| 11-15 | 31 | 38.3 | 38.3 | 60.5 |
| 16-20 | 22 | 27.2 | 27.2 | 87.7 |
| Above 20 | 10 | 12.3 | 12.3 | 100.0 |
| Total | 81 | 100.0 | 100.0 | |

The study also solicited data on the respondents' category of the banking institution. Table 3 shows the profile of the banking institutions.

**Table 3: Category of Banking Institution**

| Category of Banking Institution | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|
| Agricultural Development Bank | 4 | 4.9 | 4.9 | 4.9 |
| Commercial Bank | 45 | 55.6 | 55.6 | 60.5 |
| Building Society | 27 | 33.3 | 33.3 | 93.8 |
| Savings Bank | 5 | 6.2 | 6.2 | 100.0 |
| Total | 81 | 100.0 | 100.0 | |

### 6.2 Covid-19 and Financial Service Provision in Zimbabwe

One-sample t-Test statistics was used to analyse whether the COVID-19 pandemic had a significant effect on the Zimbabwean financial services sector. Table 4 shows the test results.

**Table 4: One-Sample Statistics: Influence of COVID-19 on Zimbabwean Financial Services Sector**

| Influence | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| Clients' movements were restricted, resulting in them failing to withdraw their money in the banks | 81 | 3.3580 | 1.61484 | .17943 |
| Lockdown and social distancing accelerated the adoption of online banking | 81 | 4.3951 | .49191 | .05466 |
| Banking institutions adopted innovative delivery channels in order to reach their clients | 81 | 4.4815 | .50277 | .05586 |
| Banking entities introduced self-service channels | 81 | 4.5679 | .49845 | .05538 |

Table 4 shows that all the mean scores were above 3, showing that the respondents were in agreement with the assertion that the COVID-19 pandemic affected the Zimbabwean financial services sector. Table 5, below, shows that the results on all the factors were significant at 95% confidence level.

**Table 5: One-Sample Test: Influence of COVID-19 on Zimbabwean Financial Services Sector**

| Influence | Test Value = 3 | | | | | |
|---|---|---|---|---|---|---|
| | t | Df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Clients' movements were restricted, resulting in them failing to withdraw their money in the banks | 1.995 | 80 | .049 | .35802 | .0010 | .7151 |
| Lockdown and social distancing accelerated the adoption of online banking | 25.524 | 80 | .000 | 1.39506 | 1.2863 | 1.5038 |
| Banking institutions adopted innovative delivery channels in order to reach their clients | 26.520 | 80 | .000 | 1.48148 | 1.3703 | 1.5927 |
| Banking entities introduced self-service channels | 28.310 | 80 | .000 | 1.56790 | 1.4577 | 1.6781 |

The results in Tables 4 and 5 were also corroborated by secondary data. According to the RBZ (2020), the COVID-19 pandemic accelerated and deepened the use of technology in the provision of financial services. Banking institutions adopted innovative delivery channels, and made significant progress in enhancing their core banking systems and online banking services. The Institute of Bankers Association of Zimbabwe (2020) also pointed out that the COVID-19 pandemic resulted in an urgent need for the financial services sector to digitise. In most cases this was done in a rush to resolve the challenges we were facing from COVID-19. Therefore, there is a need to build sustainable infrastructure around the digital platforms for the convenience of banking customers, to support economic growth, and to meet regulatory expectations. There is no question that the banking industry will be significantly changed as a result of COVID-19. Given the rise of mobile money in Zimbabwe and the uptick in electronic money usage in light of hard currency challenges, many banks were already transforming to become more digital by default and increasing their digitalisation drive to reduce costs and to improve the customer experience. One of the key informants in this study pointed out, *"The COVID-19 vastly accelerated the drive to this new operating model; in a very real sense we have seen 3 years of digital advancement in about 3 weeks.*" Because of the COVID-19 pandemic, Zimbabwean banks have had to adopt new ways of working, upgrading both back-office and client facing digital capabilities, and driving paperless approaches and automation. The banking entities will also have to develop new distribution strategies that take advantage of increased digital client interactions.

One of the economic analysts interviewed argued that the COVID-19 also forced the banking 'risk playbook' to be rewritten. As a result, going forward, Zimbabwean banks, along with the rest of the world's banks will need to define new approaches for tracking and reporting liquidity metrics, different approaches to valuation, and new ways of monitoring obligors, just to name a few. In addition, CBZ Holdings, in their 2020 Annual Report argued, *"We have identified six key trends against which bank's performance will be critically important as they position themselves for the future."* As a result of the COVID-19 pandemic, there was emergence of new distribution channels reconfiguring the landscape. As society becomes more cashless and digitisation accelerates, banks will need to evaluate their branch networks and ask themselves fundamental questions about what their physical outlets are actually for. Are they sales points or service centres? Core to the brand or nice to haves? In a much more digital model, products and services may need to be reframed, allowing greater degrees of self-service, enhanced product functionality and fulfilment, and a new approach to selling and advertising to attract customers.

### 6.3 Relevance of Social Networking in Enhancing Provision of Financial Services in Zimbabwe

The study examined whether social networking was relevant in enhancing financial service provision in Zimbabwe, during and after the COVID-19 pandemic, with One-Sample t-Test being used to establish if the results were significant. Table 6 shows the One-Sample Statistics.

**Table 6: One-Sample Statistics: Relevance of Social Networking in Financial Services Sector**

| Relevance | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| Social networking helps banking institutions to disseminate information to existing and potential clients | 81 | 4.4198 | .49659 | .05518 |
| New clients are accessed through social networks | 81 | 4.6667 | .47434 | .05270 |
| Social media sites facilitate efficient and effective bank-client service interaction | 81 | 4.3457 | .47855 | .05317 |
| Social networking sites help clients to assist one another and share ideas about banking products | 81 | 4.5185 | .50277 | .05586 |

The results in Table 6 shows that all the mean scores were above 4, implying a strong agreement with the view that social networking is relevant for enhancing the provision of financial services in Zimbabwe. Table 7, below, shows that the results on all the factors were significant at 95% confidence level.

**Table 7: One-Sample Test: Relevance of Social Networking in Financial Services Sector**

| Relevance | Test Value = 3 | | | | | |
|---|---|---|---|---|---|---|
| | t | df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Social networking helps banking institutions to disseminate information to existing and potential clients | 25.731 | 80 | .000 | 1.41975 | 1.3099 | 1.5296 |
| New clients are accessed through social networks | 31.623 | 80 | .000 | 1.66667 | 1.5618 | 1.7716 |
| Social media sites facilitate efficient and effective bank-client service interaction | 25.308 | 80 | .000 | 1.34568 | 1.2399 | 1.4515 |
| Social networking sites help clients to assist one another and share ideas about banking products | 27.183 | 80 | .000 | 1.51852 | 1.4073 | 1.6297 |

Qualitative data corroborated the findings in Tables 6 and 7, and one of the key informants interviewed pointed out that, *"Across the banking world, the pace of change is rapidly accelerating and business models are quickly evolving. Survival in this brave new world is no longer based on the size of the bank, but rather on its ability to innovate."* Another interviewee argued that the social media has become an important tool to interact with consumers and manage reputation by understanding or influencing an individual. Some Zimbabwean banking entities are using the social media platform to engage with clients, prospective customers, and helping to build affinity towards the brand. The financial services sector have penetrated the online social networking scene, offering direct links from their corporate websites to Facebook and Twitter, and use these tools to promote brands and support the creation of brand communities.

In addition, the COVID-19 pandemic compelled the Zimbabwean financial services sector to renegotiate its business view and its way of doing business. In this regard, some institutions like CBZ Holdings seeks to become 'an Intelligent Enterprise' as it shifts from top-down decision-making by empowering teams guided by purpose, and enhance performance driven by big data as well as powered by technology. Banking entities in Zimbabwe are also in the process of dismantling rigid structures that emphasise territory and control; and creating a porous organisation with modules that plug and play as unprecedented events evolve with the pandemic impact on business.

The Social media sites facilitate efficient and effective bank-client service interaction. This interaction has directed many banks in Zimbabwe to offer social media services and continuously strive to improve their service quality by providing superior levels of this to clients. For instance, ZB Bank ensured that limited branches opened to the public for Money Transfer Agents transactions twice a week and other banking facilities were available through a 24-hour Contact Centre, which is equipped to attend to all clients' issues as well as all social media platforms. In CBZ Bank, a mobile application system, called 'Touch' assist customers to continue transacting in the comfort of their homes. The CBZ Touch Application also includes 'SmartKey' a feature that allows users to do transactions while using social networking platforms. The CBZ SmartKey is available on the

Google Play and Apple App Stores. While on social media, a user can log in to CBZ Touch and do various transactions. In an endeavour to maintain competitive edge over other social media platforms, most of the financial institutions in Zimbabwe have 'zero-rated' their Facebook and Web pages, so that clients can transaction even when they do not have mobile data. Financial institutions also designed mobile applications to reflect their new focus on delivering solutions for clients that are timely, relevant and accessible. In addition, the internet banking and e-platform facilities aided customer operations. Social media use, Facebook for marketing of products and services. Social networking.

Moreover, because of the COVID-19 pandemic, the banking sector in Zimbabwe increased the rate of digitalisation (RBZ, 2020). The COVID-19 pandemic sped up customers' adaptation whilst the banks took advantage to improve processes and systems for complete digitalisation. With the uptake of digitalisation and most staff working from home, it made business sense for most of the Zimbabwean financial institutions to close a number of its branches. A senior banker who was interviewed had this to say, *"We converted two branches to Money Transfer Agents for diaspora remittances collections and some branches were converted to Agencies. We are set to open virtual branches as we drive to reduce the approximately 42 brick and mortar branches, we have countrywide."* Thus, the COVID-19 pandemic sped up customers' adaptation whilst the banks took advantage to improve processes and systems for complete digitalisation.

### 6.4 Factors Compromising Sound Social Networking and Enhanced Financial Service Delivery in Zimbabwe

An examination of social networking as a panacea for enhanced service delivery in the Zimbabwean financial services could not be complete without examining the challenges that could compromise success. Table 8 shows the One-Sample Statistics, indicating whether the challenges were significant.

**Table 8: One-Sample Statistics: Factors Compromising Social Networking**

| Factor | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| Some clients do not afford modern technology and the electronic gadgets | 81 | 4.4198 | .49659 | .05518 |
| Banking entities have limited resources to invest in adequate financial technology | 81 | 2.5926 | 1.34887 | .14987 |
| Some remote locations lack access to telecommunications infrastructure, which is necessary for accessing online banking services | 81 | 4.5185 | .50277 | .05586 |
| High cost of internet services compromise online banking and social networking | 81 | 3.9630 | 1.23940 | .13771 |

Table 8 shows that the respondents disagreed with the view that banking entities have limited resources to invest in adequate financial technology. Therefore, the banking entities have no limitation as far as social networking is concerned. The clients were the ones affected by the unavailability of technology, and the high costs. Table 9, below, shows that the results were significant.

**Table 9: One-Sample Test: Factors Compromising Social Networking**

| Factor | Test Value = 3 | | | | | |
|---|---|---|---|---|---|---|
| | t | Df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Some clients do not afford modern technology and the electronic gadgets | 25.731 | 80 | .000 | 1.41975 | 1.3099 | 1.5296 |
| Banking entities have limited resources to invest in adequate financial technology | -2.718 | 80 | .008 | -.40741 | -.7057 | -.1091 |
| Some remote locations lack access to telecommunications infrastructure, which is necessary for accessing online banking services | 27.183 | 80 | .000 | 1.51852 | 1.4073 | 1.6297 |
| High cost of internet services compromise online banking and social networking | 6.993 | 80 | .000 | .96296 | .6889 | 1.2370 |

Secondary data corroborated the view that one of the significant challenges in Zimbabwe is that of inadequate technology. There is a need for adequate and appropriate technology to facilitate social networking, especially in the remote rural areas. The resources include physical infrastructure, hardware, and software, and human resources (capacitate the communities). The information communication technology (ICT) products and services also ought to be affordable so that even the low-income earners can buy the gadgets. Mobile telecommunications infrastructure is necessary for widespread social media use. However, According to Chikalipah (2017: 10), "Zimbabwe and Africa are ranked the lowest among the developing economies in terms of access to infrastructure, far behind Latin America and East Asia." The essential infrastructure such as security services, telecommunication facilities and proper road network are still underdeveloped in Africa, and the situation is much worse in rural areas (International Finance Corporation, 2018). Much of the service provision is concentrated in the urban areas, neglecting the rural communities. The rural populations are also at a disadvantage when accessing and using financial services; they face greater physical distances (and therefore higher costs), may earn lower and more inconsistent incomes and may have less documentation (in particular if working in informal sectors).

The cost implication of accessing and utilising technology could be a hindrance in Africa. According to Akinyemi and Mushunje (2020), while Sub-Saharan Africa (SSA) has the largest number of registered mobile money accounts in the world, at around 400 million, and most unbanked adults own a mobile phone. Thus, in spite of the enormous opportunities that social media offers its users, the high costs tend to prevent its widespread adoption (Wanjui, 2020). Even though mobile money usage is growing faster in Africa, compared to other regions in the world, low adoption persists across the continent (Akinyemi and Mushunje, 2020).

Access to electricity is also a challenge in the rural areas. According to the United Nations (2020), deficits in electricity are increasingly concentrated in SSA. The proportion of the global population with access to electricity increased from 83% in 2010 to 90% in 2018, meaning that over 1 billion people acquired this essential service. Yet, about 789 million people (85% in rural area), lacked electricity in 2018. The electricity deficit is increasingly concentrated in sub-Saharan Africa, affecting about 548 million people, or 53% of the population (United Nations, 2020). Electricity shortages compromise people's access to technology. Moreover, inequality in its various forms persists (United Nations, 2020), and the Covid-19 pandemic made inequality worse. Covid-19 had negative economic impact on the vulnerable people, who often experience discrimination in term of access to basic services, and financial products.

### 6.5 Options for Enhancing Social Networking and Financial Service Delivery in Zimbabwe

A number of options can help to enhance access to technology and social networking in Zimbabwean financial services sector. One-Sample Statistics results on the options are in Table 10.

**Table 10: One-Sample Statistics: Options for Enhancing Social Networking and Financial Services**

| Option | N | Mean | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|
| Zimbabwe need to formulate vibrant strategies for electronic government | 81 | 4.4074 | .49441 | .05493 |
| Multi-stakeholder collaborations for enhancing access to technology, facilitating financial inclusion, and online banking | 81 | 4.4321 | .49845 | .05538 |
| Gender equality and women empowerment would enhance women's access to and usage of social media, and can conduct their banking transactions | 81 | 4.1605 | .36935 | .04104 |
| Banking entities to reduce the costs of online transactions | 81 | 4.2593 | .44096 | .04900 |

Table 10 shows that there was strong agreement in support of all the presented options, with all the mean scores above 4. Table 11, below, shows that their results were significant, at 95% confidence level.

**Table 11: One-Sample Test: Options for Enhancing Social Networking and Financial Services**

| Option | Test Value = 3 | | | | | |
|---|---|---|---|---|---|---|
| | T | Df | Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Zimbabwe need to formulate vibrant strategies for electronic government | 25.620 | 80 | .000 | 1.40741 | 1.2981 | 1.5167 |
| Multi-stakeholder collaborations for enhancing access to technology, facilitating financial inclusion, and online banking | 25.858 | 80 | .000 | 1.43210 | 1.3219 | 1.5423 |
| Gender equality and women empowerment would enhance women's access to and usage of social media, and can conduct their banking transactions | 28.278 | 80 | .000 | 1.16049 | 1.0788 | 1.2422 |
| Banking entities to reduce the costs of online transactions | 25.702 | 80 | .000 | 1.25926 | 1.1618 | 1.3568 |

Analysis of secondary data also showed that the most important strategy is for Zimbabwe to formulate vibrant strategies for electronic government (e-government). E-government pertains to the use of information communication technologies (ICTs) in the provision of government services. A high level of electronic readiness enhances online banking transactions. According to Mhlanga and Denhere (2020), e-government or use of ICTs have a potential for economic growth and social empowerment. E-government seeks to enhance the connection between the government institutions and the citizens. Through e-government, the public sector is able to use ICT to deliver services to citizens, there is reliability of information, and easy access to information facilitates understanding of the governing processes and encourage active participation. E-government makes it possible for the citizens to be ‘comfortable’ with ICTs products and services, and there is a high probability of them to use e-banking services, thus enhancing financial inclusion. As part of the e-government strategy, the government will in turn improve the ICT infrastructure, which is also necessary electronic banking and for financial inclusion.

There is also a need for multi-stakeholder collaborations for enhancing access to technology, social networking, financial inclusion, and online banking. MNOs and banking institutions have entered into partnerships to enhance financial inclusion and online banking. According to the International Finance Corporation (2018), across Africa, MNOs and financial institutions formed partnerships in order to reach the previously unbanked societies. Community participation is essential. According to Tita and Aziakpono (2017: 30), “a holistic approach to development that involves both top-down and bottom-up is recommended to encourage participation by all the sectors of the economy.” Making technology affordable and accessible to the rural communities is therefore essential.

Implementing strategies for achieving gender equality is equally essential for enhancing financial inclusion. Central to inclusive and sustainable development is the urgent need to harness the economic potential of women, who make up more than half of the world’s population (Williams et al., 2018). Sustainable development could not be possible without the full participation of women in all economic activities. Rickard et al. (2017) argue that gender inequality is costing the global economy US$12 trillion every year. Radovic-Markovic and Zivanovic (2019) argue that gender equality and women’s economic empowerment is a means for reducing poverty and enhancing economic growth. Gender equality is not always a basic human right, but a necessary base for a peaceful and successful growth of a nation. Gender equality would enhance women’s access to and usage of social media, and can conduct their banking transactions.

Harnessing the shift to a digital economy is critical. One of the key informants in this study argued, *“As we accelerate to a global digitally connected economy, banks must operate across virtual and physical domains seamlessly*.” The banking entities will need to harness the potential of new electronic payment mechanisms, digital currencies and contactless payments as use of cash rapidly declines. But as much as this creates opportunity, it also poses threats, with a generation of new technology-based service providers such as mobile network operators coming into the market, banks may need to devise strategies to prevent themselves from becoming disintermediated. They must find ways to remain relevant to their customers and create new use cases for payment revenue opportunities. There is also a need for cost priorities reimagined, new operating models emerging. In an environment characterised by interest rates lagging behind inflation rates leading to negative real interest rates, operating expense will likely become an ever-greater area of focus.

The Zimbabwean banking sector will need to find a way of decreasing costs while also building capability to support growth. A focus will fall on leveraging technology to achieve both of these aims, through greater use of automation and artificial intelligence. Simultaneously, banks can more aggressively evaluate their operations by moving to greater use of shared service utilities owned by consortiums or third parties, as well as managed services and outsourcing. Everything could be up for debate as banks look for the operating model of the future. The COVID-19 pandemic has seen a cross-sector working from home revolution, including in banking. Going forward, banks should identify the optimal mix for the operating model and ensure they have sufficient infrastructure to facilitate long term mass flexible working. In turn, this means that the purpose and use of corporate real estate will need to be re-evaluated. At the same time, the labour force is likely to become ever more automated, with resiliency paramount. Organisational culture and leadership, on-boarding, training, upskilling, and the attraction of new talent, together with tax implications due to reduced Global Mobility and higher levels of remote working, all need to be factored into a complex set of dynamics.

## VII. CONCLUSIONS

Social networking presents an opportunity for the Zimbabwean banking sector to enhance service provision. The costs of marketing and service provision are reduced through social networking. During and post the COVID-19 pandemic, social network sites could be the panacea for restoration of confidence in the banking system.

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