



**PUBLIC RELATIONS AND ITS IMPACT ON
ACHIEVEMENT OF CUSTOMER DRIVE OBJECTIVE IN
NIGERIA'S FINANCIAL INSTITUTIONS**

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Abstract

This study is predicated on the achievement of customer drive objective by banking services operators by means of effective Public Relations (PR) in Nigeria with focus on Guarantee Trust Bank (GTB), Minna Niger State Operation Office. The population of the study comprises of the staff and customers of GTB Minna which stood at 230. The study adopts non-probability sampling technique to study a sample size of 200 (30 staff and 170 customers) which were randomly selected using judgmental sampling method. The data were analyzed and validated using Statistical Package for Social Sciences (SPSS) and interpreted with descriptive method. A major finding shows that majority of the respondents strongly agreed that PR in Deposit Money Banks is an active and effective strategy that guarantees competitiveness and customer satisfaction, also that customers are sensitive to workers' attitude when they visit the Bank. In conclusion, evidence shows that public relations play vital role in promoting and improving the quality of services rendered by Deposit Money Banks. It is therefore recommended among others that organization should understand the best target audience for their public relations activities and they need to understand more about their customers. Also, **Banks should increase their budget to the public relations department so as to be more effective** in carrying their responsibilities effectively.

Keywords: Public relations; Impact; Achievement; Customer drive; Objective; Nigeria; Financial institutions.

Background to the Study

The business climate in Nigeria today, where banks and other banking operations operate, is quite dynamic. Banks appear to be confronted with more difficulties than other financial firms. These difficulties stem from the country's deteriorating economic situation, which has resulted in the recent distress of numerous banks and intensified rivalry among the ones that have survived. Customers worry about the quality of services provided by banks; they believe the banks generate excessive profits and are unresponsive to their requirements.

A set of communication tactics aimed to develop and sustain positive relationships between a company and its publics is referred to as public relations (PR) (Jefkins, 2019).

The Institute of Public Relations (UK) defines public relations (PR) as a purposeful, organized, and persistent effort to build and maintain mutual understanding between a business and its publics, as quoted by Nwaeze and Ujah (2019).

Banks and other financial organizations are involved in more than just receiving money and paying checks. Banks must assume some social duties in the communities in which they operate, thereby improving their public image. Public relations are an integral component of a company's marketing strategy (Kotler and Armstrong, 2019). Public relations have grown in prominence as a promotional strategy in recent years, and it is now seen as both cost-effective and highly credible (Kitchen and Papolomou, 2019). Using Guaranty Trust Bank plc (GTB) Nigeria as case of study, this study aims to analyze the application of public relations in the Deposit Money Bank.

Public relations are to build goodwill by ensuring mutual understanding between a company and its public.

The nature of the products in the financial institutions is intangible, indivisible, and homogeneous. This necessitates a thorough consumer explanation of the items or services. Comparisons across banks and their offers are challenging due to the nature of the goods. As a result, in banking, the reputation of the institution is the primary source of credibility and value. According to Beavers-Moss (2018), a bank's reputation is its most precious asset. There is also a fiduciary component

in financial services. When marketing services that are both intangible and difficult to discern, banks' interactions are founded on trust, honesty, and reliability. Establishing a trust connection becomes extremely vital. Nothing establishes confidence more than trustworthiness (Merenda, 2018).

Statement of the Problem

Marketers of services confront some unique obstacles as a result of the fundamental differences between products and services. Because of managers' lukewarm implementation of public relations tactics, the obstacles focus around understanding consumer wants and expectations for service, making the service offering tangible, dealing with a plethora of people and delivery concerns, and maintaining promises to customers. Without a doubt, the answers to the questions above will help deposit money banks operate more efficiently.

Objectives of the study

The study is meant to achieve the following objectives:

1. To identify the most effective public relations strategy for customer drive motive in banking operations.
2. To know the extent to which public relations used by banks has been able to influence the opinion and attitude of potential customers towards financial services.

Research Questions

1. How can the most effective public relations strategy for customer drive objective in banking operations be identified?
2. To what extent have the public relations tools of banking operations been able to influence the opinion and attitude of potential customers towards financial services?

Research Hypotheses

H₁: It is difficult to identify the most effective public relations strategy for customer drive objective in banking operations.

H₂: Public relations strategy of banking operations have no significant influence on the opinion and attitude of potential customers towards the financial services.

Contribution to Knowledge

Deposit money banks play significant roles in any economy and their performances are not only rated by depositors, but under the close watch of the apex regulatory body, the Central Bank. So, dismal performances of any Deposit money bank are neither tolerated by depositors who seek for other banks where they are more confident nor the Central Bank. Banks must therefore seek ways of attracting and holding customers as a basis for fighting and matching competition, and growth in the industry.

This study comes in handy here because effective application of public relations strategies guarantees competitiveness, customer satisfaction and actualization of organizational goals. Thus applying public relations to banking business will enhance it as relationships with the bank's various publics are built, unfavourable rumours dispelled, and awareness created at lower costs.

Literature Review

The purpose of public relations practice is to establish two-way communication seeking common ground or areas of mutual interest, and to establish understanding based on truth, knowledge and full information. The scale of activity to promote good public relations may vary considerably according to the size and nature of the interested parties, but the philosophy, the strategy and the methods will be very similar whether the public relation program is designed to influence international understanding or to improve relations between a bank and its customers. Public relation in the financial institutions is a function of management. It can contribute to the successful operation of a bank in proportion to the extent to which it is allowed to play its part. This fact has been accepted by most large companies, but many banks in Nigeria have been slow to realize the advantages of organized public relations (Nwude and Uduji, 2017). There could be two main objectives of public relations in a financial institution. The first could

be to establish contact with three important sections of the public: its customers, its shareholders, and its employees; securing the mutual understanding and cooperation of these three groups is essential to success. The second objective could be to promote the bank's services and products in highly competitive world. It is necessary to draw a distinction between a public relations attitude and public relation practice. Both are required in the financial institutions. The current attitude toward public opinion should be present from top to bottom in a bank; the practice should be the responsibility of professionals trained in the art of communication. Public relations in a bank require a list of priorities in order that available money and manpower are deployed to maximum advantage. It is easy to be tempted into pursuing projects that might yield fruitful results; but there may be more important problems which should be tackled first. The order of priority will not necessarily remain constant, and will require periodic reassessment. Some very effective public relations can be carried out in the financial institutions both by banks with their own internal public relations departments and by using consultants- but the general level of attainment has been uneven. For example, one bank is well organized for press relations and employee relations, but neglects other aspects. Another bank devotes all its attention to community relations. The best result can only come from a properly coordinated plan that is based on a carefully chosen list of priorities (Nwosu and Uduji, 2009). The importance of public relations to management decision making in banks was recently emphasized through the observation of the operation and function of a public relations department in some other industries in Nigeria. The role of the public is having on decisions made by top management in the banks was readily evident in more than a dozen areas. Technical advancement in the communications field, creating an accessibility to information not available to previous generations, is one of the reasons for an increasing national awareness and interest on

Theoretical Framework

This study is anchored on the systems theory, proposed by Ludwig van Bertalanffy. System theory is a study of the abstract organization of phenomena, independent of their substance, type, or spatial or temporal scale of existence. It

analyzes a phenomenon as a whole and not as elementary parts. According to Mele, Jacqueline and Polese (2018), a fundamental notion of general systems theory is its focus on interactions and on relationships between parts in order to understand an entity's organization, functioning and outcomes. The theory examines organizations as composed of interrelated parts that work together to meet some goal. Real systems are open to, and interact with their environments rather than reducing it to the properties of its parts or elements. It also focuses on the arrangement and relations between the parts which connect them into a whole.

Systems approach to customer relations, as a public relations strategy, sees the banking sector as a system in which every stakeholder (customer) has a role to play and rules to respect. Members of the system (banking institution and stakeholders) are expected to respond to each other according to their roles, which are determined by relationship agreements. It sees the relationship between the organization (banks) and its customers as a symbiotic relationship in which the customers need the bank to keep their money and valuables, and the bank also needs the customers to continue to stay in business. In addition, the customer relations department is a unit, comprising independent people. Unlike other theories that deal separately with the various parts of an organization, the systems approach provides the customer relations department the opportunity of viewing the organization as a complex whole and an integral part of the bank.

The Concept of Public Relations

Today, Public Relations is widely recognized as an essential tool in the creation of goodwill and understanding among customers, employees and the general public. Quoting the definition offered by the World Assembly of Public Relations Association, Osuji (2018), asserts that "Public Relations practice is the art and social science of analyzing trends, predicting their consequences, counseling organization leaders and implementing a planned programme of action which will serve both the organization and the public interest." This definition points to the fact that Public Relations is very important in every sector or establishment. It is probably more so in the financial sector. This is essentially because, banks hold

depositors' funds in trust and therefore are required to be honest and transparent in their activities to win and sustain the confidence of their customers, shareholders, stakeholders, the society as well as their employees. Giving credence to the above assertion, White and Mazur (2019), avers that; Public Relations is an important and fascinating area of management on which most business and non-business organizations depend directly or indirectly for their continued existence. This is partly because it touches on all aspects of the corporate life and operations of every organization, from production and personnel to finance and marketing management. Public Relations can be divided into a proactive and reactive category. Proactive PR concerns the company's marketing objectives. It is offensive, opportunity seeking, and a method to communicate brand merits typically used in combination with other promotion tools. Reactive PR on the other hand, is used in response to outside influences. It is undertaken as a result of external pressures and challenges brought by, for example, competitive actions, a shift in consumer attitudes or changes in government policies. With reactive PR, a company typically deals with changes that have negative consequences, for example, trying to repair a damaged reputation or regain lost sales (Chinweoke, 2015).

Methodology

The writers used survey research design for this study. Our population for the study comprises 30 staff of GTBank Minna Niger State and their customers that are estimated to be 200 for the purpose of this study and this brings the total population to 230 respondents out of which a random sample of 200 was taken. Non-probability sampling method was used as it is considered appropriate for the study given its diverse population. Questionnaires were administered to elicit responses from the staff and customers of Guarantee Trust Bank, Minna. The data were analyzed and validated using Statistical Package for Social Sciences (SPSS) and interpreted with descriptive method.

Test of the Hypotheses

Decision Rule: Accept the formulated hypothesis (H_1) if the calculated Chi-square value (Z_{cal}) is less than the critical value of the Chi-square distribution table

otherwise, reject the stated hypothesis. That is, reject H_1 if P value ≤ 0.05 , otherwise do not reject.

Test of Hypothesis One

H_1 : It is difficult to identify the most effective public relations strategy for customer drive objective in banking operations.

Here, the writers validate the stated hypotheses of the research work. As stated above, Chi-square statistical tool was used to test the formulated hypotheses.

Chi-Square Test

Frequencies

It is difficult to identify the most effective public relations strategy for customer drive objective in banking operations

	Observed N	Expected N	Residual
Strongly Agree	11	57.5	-46.5
Agree	9	57.5	-48.5
Disagree	95	57.5	37.5
Strongly disagree	115	57.5	57.5
Total	230		

Test Statistics

It is difficult to identify the most effective public relations strategy for customer drive objective in banking operations

Chi-Square	24.60 ^a
Df	5

Asymp. .011

Sig.

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 57.5

Decision: Having tested the hypothesis, the result shows a Chi-Square value of 24.60^a and critical value of 0.011. Since P value $0.011 < 0.05$, we reject the stated hypothesis (H_1) and further conclude at 5% level of significance that it is not difficult to identify the most effective public relations strategy for customer drive objective in banking operations.

Test of Hypothesis Two

H_2 : Public relations strategy of banking operations has no significant influence on the opinion and attitude of potential customers towards the financial services.

Chi-Square Test

Frequencies

Public relations strategy of banking operation has no significant influence on the opinion and attitude of potential customers towards the financial services.

	Observed N	Expected N	Residual
Strongly Agree	10	57.5	-47.5
Agree	2	57.5	-55.5
Disagree	100	57.5	42.5
Strongly disagree	118	57.5	60.5
Total	44		

Test Statistics

Public relations strategy of banking operation has no significant influence on the opinion and attitude of potential customers towards the financial services.

Chi-Square	22.63 ^a
Df	5
Asymp. Sig.	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 19.6

Decision: Having tested the hypothesis, the result shows a Chi-Square value of 22.63^a and critical value of 0.011. Since P value $0.011 < 0.05$, we reject the stated hypothesis (H_2) and further conclude at 5% level of significance that public relations strategy of banking operations has significant influence on the opinion and attitude of potential customers towards the financial services.

Findings

From the foregoing study, the writers made the following findings:

Majority of the respondents strongly agreed that PR in Deposit Money Banks is an active and effective strategy that guarantees competitiveness and customer satisfaction, also that customers are sensitive to workers' attitude when they visit the Bank. Majority of the respondents are of the opinion that public relations strategy motivates the customers. Also, the public relations departments of deposit money banks have been able to influence the opinions and attitudes of customers towards their products. Public relations programmes of deposit money banks are able to win public confidence and patronage, the communication channels used by banks are effective. The public relations departments in the banks create, manage and execute crises communication plans. Public relations departments in banks create and execute plans that help increase customer base and profitability.

Public relations in the banks help to execute product development strategy, design rebranded collateral materials and introduce new products to key audience with strategic marketing plan. The application of public relations in banks is an active and effective strategy that guarantees competitiveness and customer satisfaction.

Application of public relations strategies to banking services enhance the relationship between banks and their customers dispelling unfavourable rumors and creating awareness at lowest costs possible.

Additionally, the test of hypotheses revealed that the level of significance that the most effective public relations strategy for customer drive motive in deposit money banks can be identified.

Conclusion

The application of Public relations strategy is very important in an organization because it effectively supports and adapts the firm's numerous advertising components. It provides the advertising messages with credibility and trust. The study provides evidences that application of public relation strategies to Deposit Money Bank is highly important and cannot be exempted. Finally, **evidence shows that public relations play vital role in promoting and improving the quality of services rendered by Deposit Money Banks.**

Recommendations

It is therefore recommended among others that banking operations as well as other services oriented organizations should understand the best target audience for their public relations activities and they need to understand more about their customers. Also, **Banks should increase their budget to the public relations department so as to be more effective** in carrying their responsibilities effectively.

The study recommended that Banks should increase their budgets to the public relations department so as to be more effective in carrying their responsibilities effectively. **Banks are advised to train their staff to an effective communication with customer so as to avoid disputes when rendering services to their customers. More research is to be conducted to find out more ways to administered how to apply public relations strategies in the activities of deposit money banks.** Organization should understand the best target audience for their public relations activities and they need to understand more about their customers.

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