

## **From Services to Engagement: An Assessment of Online Public Relations in Nigerian Banks**

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### **Abstract**

The study examined how customer engagement online could enhance customer satisfaction with bank services and encourage further patronage. With about 22 banks in Nigeria, there has been a major marketing drive by each bank to attract as many customers as possible. As the number of customers grows, however, the banks begin to encounter challenges relating to accommodating huge number of customers in the banking hall as well as attending to their inquiries. Several banks have attempted to respond to these challenges by introducing online service platforms and encouraging their customers to embrace internet banking. Banks have also adopted the use of social media to communicate with their customers. It is, however, not sufficient for banks to see online platforms, particularly social media, as another means to push information at their customers. Social media creates a valuable opportunity for two-way communication in which the customers will feel like an active participant rather than as helpless recipient. This paper, therefore, examined the perception of the customers of the First Bank of Nigeria on how the bank has used online platforms for customer engagement. A sample size of 246 respondents was selected from five branches in the Festac Zone of First Bank, Lagos State. The Findings reveal that the respondents associated the speed of feedback online with their willingness to explore other service packages of the bank. A Spearman's rank-order correlation result also shows that there is a strong and positive relationship between how quickly the bank responded to inquiries online and the respondents' believe that their issues can be resolved. It was recommended that more efforts should be dedicated to building relationships with customers online and that official websites should be made more interactive.

**Keywords:** Social media, Engagement, Online, Public relations, Banks

## **Introduction**

Banks play a very important role in the development of any society. Gabaraane (2018) observes that while a cursory look may suggest that banks' roles in a country are limited to merely providing banking services, they actually help in alleviating poverty by providing funding for sectors that are large employers such as agriculture. The author further identifies other responsibilities of banks to include mobilizing savings and channelling same as capital into productive investment, supporting businesses through the availability of loans, and financing internal and external trade, among others.

The roles of banks, therefore, make them a necessity for people who seek to save, invest or borrow money. This is a considerably large market, particularly in a developing nation like Nigeria. While the exact number of bank customers in Nigeria cannot be ascertained, it was reported that as at February 2017, 51.72 million people have been assigned their Bank Verification Number (BVN) (Chima, 2017). The BVN was introduced by the Central Bank of Nigeria to ensure the unique identity of every bank customer.

The idea of the citizens of a nation as populous as Nigeria needing bank services may create the illusion that all the banks in Nigeria have abundant patronage. Considering that customers will only patronize banks that effectively meet their needs, banks are thrown into competition to be attractive. Ogilvy observes that "the greater the similarity between brands, the less part reason plays in brand selection" (Batra, Myers & Aaker, 2005).

Kotler and Keller (2009) observe that customer engagement is essential to the survival of an organization. The authors explain that engagement includes connecting with and informing customers. It is obvious that being confronted by several choices, bank customers in Nigeria do not want to be "talked to" but "talked with". The internet, particularly social media, creates the avenue to engage customers and ensure their satisfaction (Williams, Ekanem, Sobowale & Amodu, 2017; Okorie & Salawu, 2017; Abioye, Oyesomi, Ajiboye, Omidiora & Oyero, 2016). Unfortunately, some banks only use their social media accounts and other online platforms to "offload" information on the customers without much interest in mutual communication. This paper, therefore, examines how the First Bank of Nigeria has performed in its use of online platforms as evaluated by its customers.

## **Review of Literature**

Omotoso, Dada, Adelowo and Siyanbola (2012) explain that the Nigerian banking sector serves as a major bridge between savings and investment, which are factors in the economic development of the nation. They consider the banking sector in Nigeria to be the progenitor of many other sectors in the economy. Consequently, banks can be described as a support system for the nation.

The role of public relations in establishing a mutually beneficial relationship between an organization and its customers cannot be overstated (Amodu, Alege, Oluwatobi & Ekanem, 2017). Though the what (product/service) of the bank is important, the how is even more important. The "how" of service delivery is what differentiates one bank from the other. Kotler and Keller (2009) explain that public relations goes beyond mere information dissemination on behalf of an organization to its publics. The authors state that public relations engages the public by establishing lasting relationships, receiving feedback from the public, and mediating between the organization and its publics.

Banks had mainly practiced public relations through their customer care units and they had sent messages via traditional media like television, radio and newspaper. The advent of the Internet has no doubt

transformed the banking industry. As banks continue to develop new ways to optimize technology in offering cutting edge services, customers also continue to become more enlightened about their options and their rights to choose. Customers are no longer contented to sit passively and receive whatever banks have to offer. Rather, customers now want to compare services across banks, seek clarifications, and maximize their benefits.

The Internet has, however, given rise to what is now known as online public relations, which now has unlimited avenues to connect with customers on a more personal level. The impact of the Internet on public relations did not completely transform the practice overnight; rather, the development was in stages. The initial form of the Internet, known as Web 1.0, was revolutionary and offered valuable improvement on the initial dependence on the traditional media. With time however, according to Tankosic, Ivetic and Vuk (2016), Web 1.0 came to be described as containing static websites created for inactive clients who simply receive information without being part of the conversation. Consequently, the introduction of Web 2.0 provided the much needed opportunity for Internet users to interact and participate in the communication process. Breckenridge (2008) observes that as Web 2.0 gave rise to the social media, public relations also became more interactive and came to be known as Public Relations 2.0.

In the age of ICT, customers are more difficult to win and keep because they are distracted by similar offers made easily accessible online. Unfortunately, most organizations fail to realise the value of connecting with customers emotionally to build a valuable relationship. Brodie, Hollebeek, Juric, & Ilic (2011) describe customer engagement as a vehicle that helps to create, build and enhance long term relationship with customers, which would eventually enhance profitability.

Based on the foregoing, this study raised the following research questions and hypothesis:

1. To what extent did the respondents' receive quick response from the First Bank of Nigeria to their inquiries on their preferred online platform?
2. How does the response rate of the First Bank of Nigeria to customers' inquiries online encourage them to explore other services of the bank?

H<sub>0</sub>: There is no correlation between the time it takes FBN to respond to customer online and customers' perception of the bank's ability to resolve issues

## **Method of Study**

This research adopted the survey design. The population of the study consisted of customers of the First Bank of Nigeria (FBN). Out of the 18 Zones of First Bank on the mainland in Lagos, one zone- Festac – was selected using simple random sampling. The Festac Zone of First Bank had five branches and all the branches were selected for this research. The sample size of 250 was used with 50 respondents purposively selected from each branch of the Festac Zone. Purposive sampling technique was appropriate for the selection of the respondents because their participation required prior awareness of the bank's social media activities and they must have interacted with the bank on social media.

## **Results**

The result is based on data generated from the 246 well completed copies of the questionnaire.

**Table 1. Respondents' choice of information source on FBN and FBN's speed of response**

Speed of response from FBN online	Which social networking platform is your first choice when you need information on FBN services?					
	Facebook (%)	Instagram (%)	Twitter (%)	Blogs (%)	Website (%)	First Contact (%)
A few seconds	33.0	.0	12.0	9.1	12.3	18.4
A few minutes	33.0	30.0	28.0	45.5	16.9	39.5
A few hours	14.4	40.0	44.0	9.1	15.4	23.7
A few days	9.3	10.0	8.0	18.2	26.2	7.9
A few weeks	2.1	.0	.0	.0	1.5	.0
Not at all	8.2	20.0	8.0	18.2	27.7	10.5
<b>Total</b>	100%	100%	100%	100%	100%	100%
<b>n</b>	97	10	25	11	65	38

Table 1 presents respondents' first choice of social media platform when they need information on the First Bank of Nigeria and how quickly the bank responded to their inquiry online. From the result, Facebook appears to be the platform on which FBN responds the quickest as 33% of the respondents who chose the platform claimed they got their responses within a few seconds. Respondents who chose blogs as their first choice of information got their responses within a few minutes (45.5%); the bank responded within a few hours on Twitter (44%), closely followed by Instagram (40%); while it took a few days for respondents who preferred the bank's official website to get their responses (26%). Although it is good to note that responses to customers' inquiries rarely take up to a few weeks, it is a concern that the bank's official website is the least interactive of all the listed online platforms since more than a quarter of the respondents who preferred the website never received any feedback.

**Table 2. Satisfaction with FBN's relationship on social media**

Satisfaction with FBN's relationship with customers on their social networking platforms.	Response (%)
Yes	62.2
No	37.8
<b>Total</b>	100
<b>n</b>	246

Table 2 reveals that majority of the respondents were satisfied with the way the First Bank of Nigeria related with them on the social media platforms.

**Table 3. FBN’s speed of response to customers online and their willingness to explore other service packages**

Information received from FBN’s online platforms makes you explore other services offered.	Speed of response from FBN online					
	A few seconds (%)	A few minutes (%)	A few hours (%)	A few days (%)	A few weeks (%)	Not at all (%)
<b>Yes</b>	84.3	75.3	55.1	79.4	33.3	33.3
<b>No</b>	15.7%	24.7%	44.9%	20.6%	66.7%	66.7%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>n</b>	51	73	49	34	3	36

It is the desire of every organization for satisfied customers to commit to further patronage. Table 3 shows how the speed of response to customer inquiries influences the respondents’ willingness to explore other services provided by the bank. As can be expected, the respondents who got their responses within a few seconds were the most willing to further patronize the services of FBN (84.3%). It is curious, however, that respondents whose feedback came in a few days were the next most likely to explore further services of the bank. This may be connected to the nature of the inquiry, which the customers perhaps believe merited the number of days it took to receive the feedback. This is, however, no within the scope of this present study. Apart from this peculiar case, there appear to be a consistent decrease in the willingness to explore other packages as it takes longer for the feedback to be received. It is not surprising that that there was a total rejection of the idea of exploring other services of the bank by respondents who received their responses in a few weeks and those who did not receive any response at all.

**TESTING HYPOTHESES**

**H<sub>0</sub>: There is no correlation between the time it takes FBN to respond to customer online and customers’ perception of the bank’s ability to resolves issues**

**Correlations**

		First Bank resolves customers' issues online	When you make an inquiry, how quickly does FBN reply on the online platforms?
Spearman's rho	First Bank resolves customers' issues online	Correlation Coefficient Sig. (2-tailed) N	1.000 .000 239
	When you make an inquiry, how quickly does FBN reply on the online platforms?	Correlation Coefficient Sig. (2-tailed) N	.410(**) .000 232

\*\* Correlation is significant at the 0.01 level (2-tailed).

The Spearman's rank-order correlation was run to determine if there is a relationship between the time it took First Bank of Nigeria to respond to customers' inquiries online and how customers perceive the bank's ability to resolve issues. The result indicates a strong, positive correlation between the two variables, which is statistically significant ( $r(8) = .410, p = .000$ ).

## **Discussion**

The first research question raised for the study was to find out the extent to which respondents received quick responses from the First Bank of Nigeria (FBN) to the inquiries on their preferred online platform. The findings of the study reveal that respondents' first choice of online source for information on FBN varies. While some preferred Facebook, some others preferred Instagram, Twitter, Blogs, FBN Website or First Contact, which is the bank's chatting platform (Table 1). A general look at the frequency distribution of Table 1 reveals that the highest number of respondents preferred Facebook (97) followed by the official website of FBN (65). More importantly, however, it was discovered that FBN responded the fastest on Facebook (33%), where respondents received their responses in a few seconds. The second fastest preferred online platform from which the respondents received responses within minutes was the blog (45.5%), followed by Twitter (44%) in a few hours and Instagram (40%) in a few days. It is also noteworthy that 66% of the respondents who preferred Facebook received their responses within a few seconds and a few minutes. Therefore, the results of this study show that respondents who preferred Facebook enjoyed the fastest responses to their inquiries.

Secondly, the study raised the question on how the response rate of FBN to customers' inquiries online encourages them to explore other services of the bank. The findings reveal that majority of the respondents (62.2%) were satisfied with FBN's relationship with their customers on social media (Table 2). A further result shows that the customers who received responses to their inquiries within a few seconds (84.3%) were most willing to explore other services or packages of the bank (Table 3). Predictably, customers who received their responses in a few weeks (66.7%) and those who did not receive any response (66.7%) were the least willing to explore any other service of the bank. Therefore, the response rate of FBN to customers' inquiries actually affected their willingness to explore other services of the bank.

The spearman's rank-order correlation test result also reveals that there is a relationship between the time it took FBN to respond to customers' inquiries online and the customers' perception of the bank's ability to resolve their issues. Consequently, the faster the bank responded, the more confident the respondents had in the bank.

## **Conclusion and Recommendations**

According to Hasan (2007), customer engagement serves as a major gateway for connecting an organization with its outside publics. It is a major contributory factor in building a favourable image of the organization in the minds of the customers. This study has revealed that the First Bank of Nigeria has been able to considerably engage its customers online. While the bank's response rate varies across online platforms, the organization appears to be more effective on Facebook. Therefore, this study has been able to establish a relationship between First Bank of Nigeria's customer engagement online, and the customers' willingness to have further dealings with the bank.

Based on the foregoing, the recommendations of this study are the following:

- i. Banks do not necessarily need to have multiple online platforms if the will not be effective. It is preferable to maintain selected platforms on which customers can receive quick attention.

- ii. Official website should be made interactive and engaging. The website is usually one of the first points of call of most customers. If the information required is on social media instead, customers should be appropriately redirected from the website.
- iii. The more responsive banks are, the more willing customers are to explore further services. Hence, banks should realise that retaining existing customers is as valuable as winning new ones.

### **Acknowledgement**

We like to acknowledge Covenant University, Ota, Ogun State, Nigeria for sponsoring our participation in this conference.

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