

An Assessment of Public Relation: the Case of Buna International Bank

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Abstract

Creating proper public relation is one of the vital factors that determine the competitiveness of a specific organization. In this regard, the study assesses the Public Relation of Buna International bank. The study collected data using open and closed ended questionnaire and interview from sample respondents which were selected using convenient sampling technique and the collected data were analyzed using descriptive data analysis method. According to the research finding the image that the company has in the mind of customers is high and its effort in maintaining this image is effective, its public relation practice in comparison with competitors is high and also the public relation acceptance. Whereas compliant handling mechanism of the company is low moreover its participation in social activity insufficient. So the company has to work hard in creating common understanding with the public by taking comment, grievance and corrective action and engage in more social activities that it currently does.

Introduction

Creating proper public relation is one of the vital factors that determine the competitiveness of a specific organization and create a better image in the mind of both internal and external customers. The importance of public relation in the service sector is to develop commitment, motivation and morale among people to enable them to function under different circumstances (Banik, 2004). The bottom line of public relation practice is in

the results that come from putting theories and principles to work in a way that benefits the organization issuing the paycheck and the society of which that organization is apart (Allen, 2002).

According to Banik (2004) public relation is a deliberate, planned and sustained effort to establish and maintain mutual understanding and goodwill between an organization and its publics. Public relation is an effort to identify and interpret policies and programs of an organization with the objective to establish a bridge of understanding and goodwill between an organization and its publics (Ibid). Public relations provide a service for a company by helping the public and the media to have a better understanding of how the company works. Public relations also help a company to achieve its full potential. Buna International Bank S.C. has joined the Banking industry of Ethiopia following the favorable economic developments witnessed in the country during the last decade and the incessantly growing needs for financial services.

The Bank has obtained its license from the National Bank of Ethiopia (NBE) on June 25, 2009 in accordance with Licensing and Supervision of Banking Business Proclamation No. 592/2008 and the 1960's Commercial Code of Ethiopia. The Bank officially commenced its operation on October 10, 2009 with subscribed and paid up capital of Birr 308 million and Birr 156 million, respectively. Moreover, the Bank has more than 11,200 shareholders, which makes it one of the strong and public based private Banks in Ethiopia that provide full-fledged, fast and efficient banking service through its head office and branches.

Statement of the Problem

Public relations require a long term responsibility and seek to persuade and achieve mutual understanding by securing the willing acceptance of attitude and ideas. The main reason for the company's poor image in the mind of the society is the gap of mutual lines of communications, service and social events understanding, acceptance and cooperation between an organization and its publics. Some of the problems related with the public relations are limitation of decision making due to unclear structural setup of the organization and not having clear distinguishing goals between departments and limited public relation services offered by the department due to shortage of manpower and facility, and budget limitation. The best public relation department spends time counseling to management to adopt positive programs and to eliminate questionable practices so that negative publicity does not arise in the first place (Kotler, 2002).

Based on the preliminary inquiries, the researcher has made to the company's public relation; on how the company uses public relations tools such as, lobbying, sponsorship, press release, community service and social events, building good image and taking share and programs like attending public seminars, counseling and the likes. Such appropriate tools are not appropriately applied by the company. Based on these facts, the student researcher will try to assess the public relation practice in Buna International Bank (BIB) which is useful for creating and maintaining favorable image in the mind of customers.

Research Questions

- What does the public relation practice of the company looks like?
- What factors affect public relation practice of the company?

- How much the company is concerned on its social activities?
- How does the company evaluate the effectiveness of its public relation practice?

Objectives of the Study

General Objective

The general objective of the study is to assess the public relation practice of Buna International Bank.

Specific Objectives

The specific objectives of the study are:

- To describe the extent of effectiveness of the corporation's public relation practice
- To identify methods of evaluation on the effectiveness of the corporation's public relation practice.
- To identify the corporation's level of participation in social activities.
- To identify factors that affect public relation practice of the company.

Delimitation of the Study

This study was delimited to public relation practice of Buna International Bank. Despite the corporation has different branches across the country; the study was delimited on the head office which found in Addis Ababa around *Aratkilo*. And the time was delimited from 2011-2014 because the problem is noticed at that particular time.

Significance of the Study

First and foremost this study will be important to the student researcher in doing the cross match of the theoretical aspect with the real marketing practices. It will also be useful for other researchers who may be interested to conduct research in similar topics. In addition to this the study will have an importance to BIB as an input for decision making in the area of public relation.

Limitation of the Study

While conducting the study, the researcher had experienced certain limitations. Among others, the following are the major limitations encountered by the researcher. Some respondents were not able to complete the questionnaire the time schedule outlined to collect the questionnaire was not met because of respondents and monetary constraint and unavailability of information from the corporation's side.

Research Design and Methodology

Research Design

In order to answer the above basic research questions, the student researcher has used descriptive research method. Descriptive research method helps to describe the research setting as it is and it also enables the researcher to describe the characteristics of a particular group of respondents.

Population and Sampling Techniques

The research has included customers and marketing manager of the company as a target population of the study. The researcher used non-probability sampling, particularly convenient sampling technique, and used Malhotra's (2006, 329) suggestion of 150 respondents customers as

representative sample in order to have sufficient and reliable data and it enable the researcher to meet the respondents on their availability.

Types of Data and Methods of Data Collection

The researcher has collected both primary and secondary data. The primary data is collected from customers and head of the Banks' public relation department using open and closed ended questionnaire, and interview. Questionnaires were distributed to customers while they were coming to the bank for service. Interview was conducted personally with the head of the BIB'S public relation department. The secondary data gathered from company's records.

Methods of Data Analysis

The study used both qualitative and quantitative data analysis techniques. The responses collected from close ended questions analyzed by quantitative and presented in the form of table and percentage. Responses obtained through interview and open ended questions have been narrated qualitatively.

Data Presentation, Analysis and Interpretation

A total of 150 questionnaires were distributed to customers, however, out of the 150 customers only 135(90%) of them cooperated in filling and returning the questionnaire the rest 15(10%) were not able to return the questionnaire due to unknown inconveniences.

Analysis of respondent's characteristics

Table 1: Background Information of Respondents

No	Item	Description	No of respondents	Percentage
1	Sex	Male	78	58
		Female	57	42
		Total	135	100
2	Age	18-30	22	16
		31-43	46	34
		44-56	39	29
		Above 57	28	21
		Total	135	100
3	Educational level	12 th complete	20	15
		Certificate	24	18
		Diploma	30	22
		First degree	42	31
		Above first degree	19	14
		Total	135	100
4	Occupation	Government employee	36	27
		Private employee	39	29
		Run own business	60	44
		Total	135	100

The data shown in table1 shows background of respondents, 78(58%) of respondents are male, 57(42%) of respondents are female. This shows that most of the company's customers are male. In terms of age indicated in item 2 of the same table the majority of the respondents, 46(34%) are in the range 31-43, 22(16%) are in the range 18-30, 39(29%) are in the range 44-56, the

rest 28(21%) are above the age of 56. This shows most of the company's customers are adults.

Item 3 of table 1 shows educational level of respondents. From the total respondents 42(31%) are first degree holders, 30(22%) are diploma holders, 22(18%) are certificate holders, 20(15%) are 12th complete, the rest 19(14%) are above first degree holders. This shows that most of the company's customers have completed tertiary level of education. Item 4 of the same table shows occupation of respondents, 36(22%) of respondents are government employees, 39(29%) are private employees; the majority (60 in number and 44 in percent) of respondents run their own business. This shows that the business the company runs is more suitable for individuals that run their own business.

Analysis of questions directly related with the study

Table 2: Company's Image

No	Item	Scale	No respondents	of	Percentage
1	How do you rate the level of the company's image in the minds of customers?	Very high	29		21
		High	56		42
		Average	45		33
		Low	5		4
		Very low	-		-
		Total	135		100
2	How strong do you think the company works to create and maintain a favorable image in the minds of customers?	Very strong	18		13
		Strong	54		40
		Medium	63		47
		Weak	-		-
		Very weak	-		-
		Total	135		100

As it is shown in table 2, 56(42%) of the respondents chose high, 45(33%) chose average, 29(21%) chose very high, and the rest 5(4%) chose low, regarding the company's image in the minds of customers. The majority of respondents chose high only 5 respondents chose low, this indicates the company's strategy in positioning is well implemented.

In item 2 of the same table respondents were asked to rate the strength of the company's in working to create and maintain a favorable image in the minds of customers. The majority of respondents, i.e. 54(40%) rated it as strong, 18(13%) rated it as very strong, the rest 63(47%) rated it as medium. None of the respondents chose low or very low, which indicates the company works to create and maintain a good image in the minds of its customers. In contrast to this the public relation department manager of the company in the interview session stated that the company strives to have a good relation with its customers and is successful in doing so.

Table 3: Company's Public Relation Practice

No	Item	Scale	No of respondents	Percentage (%)
1	How do you rate the company's public relation practice in comparison with competitors?	Very high	29	21
		High	38	28
		Average	58	44
		Low	10	7
		Very low	-	-
		Total	135	100
2	How is the acceptance of the company's public relation practice?	Very high	36	27
		High	58	43
		Average	35	26
		Low	6	4
		Very low	-	-
		Total	135	100

As it is indicated in item 1 of table 3, 10(7%) rated the company's public relation practice in comparison to competitors as low, 29(21%) as very high, 38(28%) as high, the majority of respondents (58 in number, 44 in percent) rated the company's public relation practice as average. This indicates that the company has a competitive advantage over its competitors and is being noticed and appreciated by customers.

Table 4: Communication Strategy

No	Item	Scale	No of respondents	Percentage (%)
1	How do you rate the company's effort in making information available for customers?	Very high	22	16
		High	40	30
		Average	56	41
		Low	12	9
		Very low	5	4
		Total	135	100
2	The company works to create a common understanding with the public.	Strongly agree	14	10
		Agree	32	24
		Neutral	28	21
		Disagree	38	28
		Strongly disagree	23	17
		Total	135	100

Item 2 of the same table shows how customers rated the acceptance of the company's public relation practice, out of the total respondents 36(27%) rated it as very high, 58(43%) rated it as high, 35(26%) rated it as average, 6(4%) rated it as low. The majority of respondents chose high indicating the company's public relation department is effectively carrying out its duties. The public relation manager was asked to express the company's public

relation practice in comparison to competitors; he indicated the public relation department uses different mechanisms that allow the company to be upfront in the industry and is successful in doing so.

As it is indicated in item 1 of table 3, 56(41%) respondents rated the company's effort in making information available for customers as average, 40(30%) rated it as high, 22(16%) as very high, and the rest 12(9%) and 5(4%) rated the effort as low and very low respectively. This indicates the company's effort in availing information for customers is at a high level. Item 2 of the same table shows that from the total respondents, 38(28%) disagreed, 32(24%) agreed, 28(21%) chose to be neutral, 23(17%) disagreed strongly, and the rest 14(10%) agrees strongly to the statement "the company works to create a common understanding with the public." Most of the respondents disagreed to the statement. This implies the company usage of different public relation tools is not up to the desired level. In contrast in the interview conducted with the public relation manager he stated the company uses different public relation tools to create a common understanding with the public. This shows the company is not aware of the gap that exists with the public.

As it is shown in item 1 of table 5, the company's effort in addressing customers comment and grievance and taking corrective action was rated as very high by 3(2%) of respondents, 10(15%) rated it as high, 34(25%) rated it as low, 21(16%) rated it to be very low, whereas the majority respondents (57 in number 42 in percent) rated the effort as average. This indicates that the company's effort in addressing comment and grievance and take

corrective action is not well established since most of the respondents rated it as average and below average.

Table 5: Handling Comment

No	Item	Scale	No respondents	of	Percentage (%)
1	What is the extent of the company's effort to address customers comment and grievance and corrective action?	Very high	3		2
		High	10		15
		Average	57		42
		Low	10		25
		Very low	21		16
		Total	135		100
2	How do you see the company's effort in working to get feedback about its public relation practice from customers?	Very good	2		1
		Good	11		8
		Medium	39		29
		Bad	52		39
		Very bad	31		23
		Total	135		100

Item 2 of the same table shows customers response on the company's effort in working to get feedback about its public relation practice from customers. Out of the total respondents 52(39%) and 31(23%) chose bad and very bad, 39(29%) chose medium, 2(1%) chose very good, and 11(8%) chose good this indicates that the company is not highly engaged in gathering feedback from customers. In the interview session held with the public relation manager of the company the manager replied the company has a department called complaint management which specifically operates to collect and handle any comment or grievance a customer has about the company.

Table 6: Public Relation Tools

No	Item	Scale	No of respondents	Percentage (%)
1	The company uses published materials as a means of sharing information with customers?	Strongly agree	32	24
		Agree	49	36
		Neutral	40	29
		Disagree	9	7
		Strongly disagree	5	4
		Total	135	100
2	How do you rate the company's level of participation in fundraising?	Very high	11	8
		High	17	13
		Average	42	31
		Low	38	28
		Very low	27	20
		Total	135	100
3	How do you rate the company's effort to participate in sponsoring different events?	Very good	42	31
		Good	68	50
		Medium	25	19
		Bad	-	-
		Very bad	-	-
		Total	135	100

As it is shown in item 1 of table 6, 32(24%) of the total respondents strongly agrees, 49(36%) respondents agrees, 40(29%) respondents chose to be neutral, 9(7%) respondents, 5(4%) disagrees to the statement “the company uses published materials as a means of sharing information with customers.” the majority of respondents specifically 49(36%) agreed to the statement indicating the company does indeed make use of published materials as a means of sharing information.

Item 2 of the above table shows how respondents rated the company's level of participation in fundraising, out of the total respondents 11(8%) rated it as very high, 17(13%) rated it as high, 42(31%) rated it as average, 38(28%) rated as low, 27(20%) rated it as very low. The majority of respondents rated it as average; in comparing the number of respondents that chose below and above average, respondents that below average takes the lion share indicating the company does not usually participates in fund raising.

Item 3 of the same table shows how customers have rated the company's past experience in sponsoring different events. The majority of respondents (68 in number and 50 in percent) rated it as good, the rest 42(31%) and 25(19%) rated it as very good and medium respectively. This indicates that the company highly uses sponsorship as a means of reaching its target customers. In addition to this the public relation department manager has emphasized that the company uses different public relation tools such as trade fairs, publication, press release, speeches, sponsorship, and the likes. He further underlined that the company mostly engages in sponsorship.

Table 7: Company Relation with Society

No	Item	Scale	No of respondents	Percentage (%)
1	The company has a strong relationship with the society.	Strongly agree	5	4
		Agree	13	10
		Neutral	78	57
		Disagree	39	29
		Strongly disagree	-	-
		Total	135	100

As it is shown in table 7, 5(4%) agrees strongly, 13(10%) agrees, 78(57%) chose to be neutral, 39(29%) disagrees to the statement “the company has no strong relationship with the society or the customers are not aware of it so this might lead the customers to shift to competitors.

Table 8: Handling Problem

No	Item	Scale	No of respondents	Percentage (%)
1	Have you ever faced a problem regarding the company’s public relation practice?	Yes	73	54
		Neutral	20	15
		No	42	31
		Total	135	100
2	If your response to the above question is “yes” did you inform the company?	Yes	49	67
		No	24	33
		Total	73	100
3	If you answered “yes” for the above question how fast did the corporation gave you solution?	Very fast	-	-
		Fast	6	12
		Average	29	59
		Slow	4	8
		Very slow	10	20
		Total	49	100
4	How do you rate the compliant handling mechanism of the company?	Very High	12	9
		High	16	12
		Neutral	34	25
		Low	48	35
		Very Low	25	19
		Total	135	100

As it is shown in item 1 of table 8, 73(54%) of respondents have faced a problem regarding the company’s public relation practice, 20(14%) of respondents replied neutral and the rest 42(31%) of respondents have never faced a problem. The majority of respondents have faced a problem. This

implies the company's public relation practice and customers' expectation is not in the same page.

In item 2 of the same table respondents who have had a problem were asked whether they have informed the company or not. Out of 73 respondents 49(67%) choose "yes", 24(33%) choose "no". The majority of respondents choose yes which indicates the company welcomes customers comment.

In item 3 of the same table, those respondents who have informed the company about the problem they faced was further asked how fast the company gave them solution. Accordingly, 6(12%) of respondents received solution fast, were as the majority 33(67%) received solution at an average speed, 14(28%) of respondents received solutions slow and very slow. This indicates that the corporation speed in giving solution is at an average level or slow.

In item 4 of the same table shows how the respondents have rated the compliant handling mechanism of the company. The majority of the respondents 54% replied low and very low, 21% replied high and very high and the rest 25% replied neutral. This shows that the company's compliant handling mechanism is low this might result shifting of customers to competitors.

Conclusion and Recommendation

Conclusion

In this Particular section the overall conclusion of the study is presented bellow.

- According to the research finding the image that the company has in the mind of customers is high. And also the company's effort to maintain this image is effective as it should be.

- As per the research findings the company's public relation practice in comparison with competitors is high and also the public relation acceptance is at a high level.
- From the research findings the company's effort in making information available is high but in creating common understanding with the public is low.
- According to the data the company's effort in addressing customers comment, grievance and taking corrective action is in a medium level. However the company's effort in gating feedback about its public relation practice is low.
- As per the research finding the company's effort in using different public relation tools like published material and sponsoring different events is good but when we come to the company's effort in fund raising is not sufficient.
- Regarding the research finding that the company's participation in social activity is insufficient.
- From the research finding there is a problem in the company's public relation practice and most of the customers informed this problem but the company doesn't gave fast response. In relation to this the compliant handling mechanism of the company is low.

Recommendations

Based on the major research findings that have been discussed so far the following points are recommended by the researcher.

- The company should undertake further investigation by using different professionals to maintain its favorable image.
- The company should make enhancement in its overall public relation practice because in a growing competitive industry change inevitable

so in order to stay in business the company should use different techniques and create a competitive advantage over its competitors.

- The company should maintain its effort in making information available to the customer but the company should work hard in creating common understanding with the public.
- The company has to work more in taking comment, grievance and corrective action. And also the company needs to improve its way of getting feedback from its customer about its public relation practice.
- The company should maintain its public relation practice that the company currently involved such as using published materials and sponsoring different events but the company has to improve its fundraising program which is one of public relation tool.
- As indicated by different authors participation in social activity is a vital public relation tool that could allow a company to have a good relationship as well as create a favorable image. In the case of Bunna Bank, participation in social activities is not up to the desired level. The company should engage in more social activities that it currently does.
- The company should use sufficient communication tools to keep the external public up to date in new information's about the company like media relation, which can be used by public relation department to create and maintain a two way communication with the public.
- The company should improve its compliant handling mechanism and try to give fast response to the customer complain as much as possible.

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