THE ROLE OF PUBLIC RELATION IN BUILDING CORPORATE IMAGE IN KENYA

THE CASE OF KENYA COMMERCIAL BANK

THIS IS A RESEARCH PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF DIPLOMA IN PUBLIC RELATION, UNIVERSITY OF NAIROBI

OCTOBER 2013
DECLARATION

This is my original work and has not been presented for examination or any academic award in other university

………………………….                  ………………………

SIGN                              DATE

Supervisor’s Approval

This work has not been submitted for examination with approval of a university supervisor

………………………….                  ………………………

SIGN                              DATE
DEDICATION

I humbly dedicate this work to my parents who since childhood made me believe that education is the key to success and that in everything I do I should remember to include God as my leader.
ACKNOWLEDGMENT

I humbly send my regards to God almighty for enabling me to go through this successfully, my family members especially my mum who contributed most in terms of capital and funds, my friends who gave me hope of doing it successfully and lastly my supervisor who also understood me. Lastly I would highly appreciate the KCB staff for allowing me to get information about their organization.
TABLE OF CONTENTS

DECLARATION ........................................................................................................................................... ii

DEDICATION ........................................................................................................................................... iii

ACKNOWLEDGMENT ............................................................................................................................... iv

TABLE OF CONTENTS ............................................................................................................................. v

LIST OF TABLES ....................................................................................................................................... ix

LIST OF FIGURES ................................................................................................................................... x

ABSTRACT ................................................................................................................................................ xi

CHAPTER ONE: INTRODUCTION ........................................................................................................... 1

1.0 Introduction ...................................................................................................................................... 1

1.1 Background of the Study ......................................................................................................................... 1

1.1.1 KCB Public Relation .......................................................................................................................... 2

1.2 Statement of Research Problem .............................................................................................................. 3

1.3 Research Objectives ............................................................................................................................... 3

1.3.1 General objectives; ............................................................................................................................ 3

1.4 Research Questions ................................................................................................................................. 4

1.5 Significance of the Study ....................................................................................................................... 4

1.5.1 The Government .............................................................................................................................. 5

1.5.2 The Society ...................................................................................................................................... 5
LIST OF TABLES

Table 3.1 Target population and sample size

Table 4.1 Gender

Table 4.2 Years of Experience

Table 4.3 Types of relations

Table 4.4 Increased customer loyalty and satisfaction from public relations
LIST OF FIGURES

Figure 4.1 Gender

Figure 4.1 Level of Education of Employees

Figure 4.2 Types of relations

Figure 4.3 Increased customer loyalty and satisfaction from public relations
ABSTRACT

This study presents findings from a quantitative investigation of whether media relations play a strategic role in corporate public relations practice in Kenya. The primary objective was to discover how media relations was viewed and utilized in Kenyan organizations. More specifically, the research hoped to find out if the media relations function was only used to generate publicity or if it also played a strategic role in relationship building with the media and achieving organizations' corporate and competitive goals. In-depth interviews were conducted with the participants who comprised senior executives handling media relations or overseeing the function in their capacity as head of media relations or public relations. A structured interview guide was used as the research instrument to elicit participants' responses. The findings suggest that in the media relations plays a strategic role to build relationships with the media as well as to inform and educate stakeholders in profiling and better managing the organizations' reputations in Kenya. Hence, the media relations function is not limited to generating publicity for the organizations' products and services. Firstly, organizations' media relations objectives were set and functions strategized in line with their corporate and competitive goals. Secondly, participants predominantly played managerial public relations roles and most of the heads of public relations in the organizations studied were represented at policymaking level. This had a positive impact on media relations planning and execution as the function was seen as part of the big picture. Thirdly, in carrying out their media relations programs, most participants predominantly used the mixed-motive model which is linked to excellent and strategic public relations practice. The choice of model was found to correspond with participants' organizational culture and environment. Fourthly, most participants were found to have fixed budget allocations...
expected to evaluate their initiatives to ascertain if corporate and competitive goals were met and there was return-on investment. Overall, participants viewed media relations as an investment given its strategic role. This research suggests that organisations that see beyond media relations’ promotional role fully benefit from its strategic value
CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter contains study background, statement of the research problem, purpose of the study, research questions, significance of the study, the study limitations, the scope of the study and definition of operational terms.

1.1 Background of the Study

The history of KCB dates back to 1896 when its predecessor, the national bank of India opened an outlet in Mombasa. Eight years later in 1904, the bank extended its operation to Nairobi, which had become the headquarters of the expanding railway line to Uganda.

The next major change in the bank’s history came in 1958. Grindeys bank merged with the national bank of India to form the National and Grindeys bank.

Upon independence the government of Kenya acquired 60% shareholding in National and Grindeys bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the government acquired 100% to take full control of the largest commercial bank in Kenya. National and Grindeys Bank were renamed as Kenya Commercial Bank.

In 1972, savings and loans (k) Ltd was acquired to specialize on mortgage finance. In 1997, another subsidiary, Kenya Commercial Bank (Tansania) Limited was incorporated in Dar-es-Salam, Tanzania to provide banking service and promote cross-border trading. Since then the subsidiary has 11 branches.

In pursuit of its vision to be the preferred financial solution provider in Africa with a global reach, in May 2006 KCB extended its operations to Southern Sudan to provide conventional Banking services. The subsidiary has 19 branches. The latest addition into
the KCB family came in November, 2007 with the opening of the KCB Bank Uganda Limited which has 14 branches. In December 2008 KCB Rwanda began operation with one branch at Kigali. There are currently 9 branches spread out in the country.

The government has over the years reduced its shareholding to 35% and more recently to 26.2% following the right issue exercise in 2004, which raised Kshs 2.45 billion in additional capital for the bank. In the second Rights issue exercise held in the year 2008, the Government further reduced its shareholding into 23.7% after raising additional capital for Kshs 1.8 billion. The bank conducted the 3rd Rights issue exercise in 2010, in which the Government further reduced its shareholding to 17.52% after raising additional capital of Kshs 11.5 billion. In 2010 S&L was merged with KCB providing access to mortgage finance through the bank’s wide branch network of 222 branches.

1.1.1 KCB Public Relation

KCB employs public relation in numerous areas. The most common PR tools used by KCB are image building activities like press releases, regular reports and speeches. KCB puts great focus on the personal contact with the customers. Therefore at branch level, the personal contact is an important tool. The company website is another important PR tool which KCB put much effort on. Almost fifty per cent of the customers use Internet services to do their bank transactions. Therefore this channel is used to inform, educate and build relations with the customers. The least important tool used by KCB is publications. They have a great amount of printed publications and brochures, but today more effort is instead put on e-activities such as the website and the Internet bank.
1.2 Statement of Research Problem

The role public relations plays in building and sustaining corporate image of an organization ought to be considered an area of importance in public relations research. Scholars are of the view that a corporate image is powerful; it helps to determine how a person will behave towards a company. How that company is perceived as weak or strong, open or closed, warm or cold, rigid or flexible. The role of PR therefore is to assist in building and protecting an organization’s image (Bernestin, 1984).

Many organizations have not realized the role of PR in an organization, so the study seeks to enable the organization to find a solution for the following problems which include strategies that can be used to increase visibility of their organization, how to manage crises in case they occur.

Numerous organizations do not understand the benefits that are derived from public relation, with the greatest one being enhancing the corporate image of an organization. Through this, this study is carried out to cover this gap and show organization the significant role that public relation plays with regard to public relation.

1.3 Research Objectives

From the definition of public relation which states that the attempt by information, persuasion and adjustment to engineer public support for an activity, course, movement or institution. The following objectives were formulated.

1.3.1 General objectives;

1) To investigate factors that help in building product awareness.

2) To investigate the methods used when creating public interest.
1.4 Research Questions

1) What factors are used to build product awareness?
2) Which methods are used when creating public interest?
3) Which strategies are used to provide customers with information?
4) How does the company reinforce its brand?

1.5 Significance of the Study

This research was conceived in full realization of the various interests it would serve. The corporate institutions and public relations practitioners would likely be activated by the findings to invest their utmost creative abilities in marketing communication—commensurate with current image building challenges facing their esteemed profession. To the public relations and mass communication students, the study is intended to motivate further study on other much unattended subject matter on product branding, and provide them with a storehouse of knowledge as well as provide direction to enable them exercise high prudence in their daily economic decisions especially on how they brand themselves. The study also provided corporate marketing executives in Kenya with an insight into the dynamic nature of image branding activities in the economy.
1.5.1 The Government

This research is important to the government in that governmental Public Relation, like any other public relation practitioners, seek to understand their mutual understanding between their agencies and publics by following a strategic Public Relation process. They must gauge public opinions, plan and organize public relation effectiveness, construct messages for internal and external audiences and measure the effectiveness of the entire process.

This could also help to define and achieve government program goals, enhance the government responsiveness and service and provide the public with sufficient information to permit self-government.

The goal of Public Relation officer is to promote cooperation and confidence between citizens and their government. This is in turn requires governmental accessibility, accountability, consistency and integrity.

1.5.2 The Society

Public Relation plays a major role in helping companies to build alliances and build collaborative ventures which often can ensure the success of the businesses launches and new programs.
1.6 Definition of Operational Terms

**Publics:** Publics are specific groups of people who are linked by a common interest or problem Heath.

**Public Relations:** Is the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics Jefkins (1998:6).

**Corporate Image:** Is the set of meanings by which a corporation is known that can be used by the observer to describe, remember and relate to it via the interaction of beliefs, feelings, perceptions, and impression Copley (2004:276) in Akin and Dimerel (2011:130).
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews both theoretical and empirical literature. The first section discusses theoretical literature while the second one is empirical. Also covered under the same topic is conceptual framework and operational framework.

2.2 Public Relations

In the last few decades, we have witnessed so many changes in the consumer’s preference and cultural trends. These changes have resulted such that today’s people have become less responsible to the traditional marketing pressures especially advertising yet companies have sought various ways of promoting their goods. One of their promotional methods is the concept of Public Relations. The concept of public relations is very important promotional tool for the business organization because positive relation built with the public can directly and indirectly affect the organization’s business activities. PR is the process of building good relation with the firms various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events.

The earliest given definition of public relations which still holds true is that is the attempt by information, persuasion and adjustment to engineer public support for an activity, cause, movement or institution (Codianne and Worell, 1988). Indeed for decades, it was widely believed that public relations practice was a 20th century phenomenon (Codianne and Worell, 1988). Until about 25 years ago, the origin of modern (20th century) public relations had also been traced to early 20th century practices predominantly in the US and UK.
Especially in the past decade, a growing number of scholars have argued that public relation like practices has been in existence even in pre-biblical times. Al-Badr (Frooman, 1997) argued that public relation in the Middle East can be traced back to at least 4000 years ‘as evidenced in a cuneiform tablet found in Iraq resembling a bulletin telling farmers how to grow better crops’ (pp 192-193). German scholars Bentele and Wehmeyer (Frooman, 1997) have traced the root of modern public relation in Germany to the mid-nineteenth century. Others have done the same for several other countries of the world.

Public relation scholarship is even younger than the modern form of public relation practice. Although Edward Bernays is credited by scholars with authoring the first book of public relation in 1923 titled ‘Crystallizing public opinion’ theory department in public relation only began in mid 1970s. hence this...
suppliers, distributors, politicians, public events, financial institutions, stakeholders, shareholders, financial analysts and opinion leaders.

Clearly then, to engage or to relate to each public a different relative approach is needed. However this diversification of approaches has caused public relation to branch, overlap and otherwise be confused with other disciplines. This in turn has led to the public relation process having many various roots and functions having it almost indefinable in its own right, as already commented on. Another challenge of public relation is its identity since it is claimed that public relation is not an activity so much ongoing ever and an evolving process.

2.3 Empirical Review

According to Kotler, & Lee (2005), one of the most critical strategic and enduring assets that a corporation, and indeed people that comprise it may possess is good reputation. For ages, the view that corporate reputation positively impacts on firm performance has been documented. In fact, even accounting literature backs the notion that corporate reputation comes as enormous amount of wealth encapsulated in what is called goodwill, while some conventional wisdom assert that the reputation which organizations orchestrate for themselves do cause sustainable profits. These views have attracted quite a lot of scholars to structure research in so many areas of corporate reputation, and the body of knowledge on this subject is indeed not only increasing but deepening also. This is partly on account of the fact that thickening competition in a fast globalising business world has opened up so many windows through which the causes of sustainable profits can be investigated (Kotler, & Lee, 2005). Intangible assets like reputation are thus increasingly researched as sources of sustainable advantages.
The days are gone when organizations only looked up to tangible assets as drivers of sustainable competitive advantages. Intangibles are now pulling as much weight also. This is why researchers, consultants and practitioners are now active in the development of tools to measure the intangible brand equity such as reputation. In fact, Nitzan, & Lee (2005) in their work titled “Components and parameters of corporate reputation”, clearly asserts that what is usually called brand equity or corporate equity is determined by corporate reputation. Reputation may be seen to arise as an output of different activities in the professions. Schwaiger (1997), notes that in marketing reputation is seen as the result of a corporate branding; in accounting it is seen as a kind of goodwill; in organization theory it is seen as the manifestation of a corporate identity; in the field of management it is seen as a potential market entry barrier; and in agency theory it is seen as a signal about future actions and behaviors, a pledge that justifies and promotes expectations of a principal about the actions of the agent. The reputation an organization enjoys is actually constructed by the publics of that organization. It is constructed on the basis of information about the organization’s relative position to other organizations in the industry. The construct is developed using such information as market and accounting signals or information that indicates conformity to social norms or responsibilities, and strategy signals indicating strategic postures. It is in this regard that a writer sees reputation as the outcome of a process in which firms signal their key characteristics to constituents to maximize their social status. It can arise out of consumers’ satisfying experience with the company’s products hence it can be inherited from an organization’s past actions. Reputation can also arise out of a combination of past favorable actions of the organization (such as good products/services, good social responsibility undertakings, good ethical behavior, good performance records, a publicly acknowledged record of good treatment of employees, etc) and conscious image building, public relations efforts and
favorable assessment by attention workers (journalists) et cetera. All these efforts, products and activities aim at getting the people to form good impressions on their mind regarding an organization and its offerings.

Some people however erroneously believe that no matter how bad their behavior, product offerings or personal 

Each corporation has an “image” whether the company does anything about it or not. Corporate image is formed based on stakeholder perceptions of specific company actions as well as associated industry and country issues. To a great extent, this image influences stakeholders' reactions to specific corporate actions, products or stores. Using the consumer stakeholder as an example, the products and services consumers buy are seen to have personal and social meanings in addition to functional utility. Products and services are recognized as psychological things, as symbolic of personal attributes, goals, and strivings. Thus, making a purchase involves an assessment (either implicit or explicit) of this symbolism (Krug, 1998). The significance of corporate image is based on the notion that, if it is important to be concerned with the psychological overtones and impact on consumer attitudes of the company's brands, then it is also important to be concerned with these factors as they affect the company itself. Corporate images are selectively perceived mental pictures of an organization. The sum total of these perceived characteristics of the corporation is what we refer to as the “corporate image”.
While interacting with an organization many stakeholders lack both the capacity and inclination to gather accurate information about the organization. In such instances, corporate image serves as a useful substitute for concrete facts.

Given this knowledge organizations strive to manage their public image. Though most Americans believe in free market system, it surprising that a recent corporate reputation study (Selame & Selame, 1988) revealed that Americans hold big businesses in fairly low esteem. That is:

8 of 10 Americans feel that as companies get bigger, their customer relationships grow colder and more impersonal.

79 percent fear that in just about every industrial category the consumer is at the mercy of one or two “dominant” companies.

6 out of 10 believe business people would do anything to make a buck, probably at the consumer’s expense.

More than 50 percent believe profits are out of line, that business makes 34 cents on the dollar (when, in fact, government data pegs it closer to four cents). The above study and several others also revealed that there exists a strong positive correlation between peoples’ perceptions of a company and their attitude toward the company. Past research in this area, though insightful, is highly fragmented and mostly descriptive in nature. The purpose of this study is to integrate previous findings and develop a framework for understanding the nature and scope of corporate image. As a first step, a framework is developed to identify the factors that influence the corporate image formation process. These factors are grouped into two major spheres of
Influence those which can be controlled by the firm; and those that are not controlled by the firm but can be influenced. In addition, strategic guidelines are provided to enhance the management of corporate image.

Nature of Corporate Image

Corporate image is an overall perception of the company held by different segments of the public (Blaxter, Hughes, and Tight, 2001). The two key phrases in the definition “overall perception” and “different segments,” indicate that corporate image is more than a mere sum of the impressions of individual attributes and that it encompasses all of the company functions and roles. Corporate image includes information and inferences about the company as an employer, as a seller, as an investment and as a corporate citizen. A company will have more than one image depending on the nature of the interaction it has with the different groups. Since people tend to “humanize” companies (Bayton, 1959), corporate image may also include characteristics often attributed to humans such as “caring”, “friendly”, and “ruthless” and so on. The public segments which corporations are most concerned with are their stakeholder groups. Each major stakeholder group has different characteristics, needs and expectations and may hold a different image of a company. The major stakeholder groups of an organization include:

- Stakeholders: who have invested in a company and their most important need is to maximize the return on their investment.
- Board of Directors: who manage company affairs and whose primary duty is fiduciary in nature.
- Employees: people in the middle management and the rank and file of the organization.
Suppliers: who supply raw materials and services, including bankers who supply necessary
finances.

Channel Members: who are involved in the distribution network including wholesalers, retailers
and the like.

Customer: who purchase the company’s products and/or services.

Community: including governmental agencies and the public at large who will assess the
company’s
role as a corporate citizen. Perceptions and inferences about the company will differ between the
various stakeholder groups, depending on the nature of the interaction with the organization.

Scope of Corporate Image

Since a corporation’s image affects stakeholders’ behavior, organizations strive to develop and
manage their image for several reasons including: a) stimulating sales; b) establishing company
goodwill; c) creating an identity for employees; d) influencing investors and financial
institutions; e) promoting favorable relations with the community, government, special interest
groups and other opinion leaders; and f) achieving a competitive position.

A company that is effectively marketing its products could still have difficulty obtaining
financing for expansion, if the financial community perceives the company as sedentary. If
stockholders have negative sentiments about management, the company may find itself an easy
target for a takeover bid. Similarly, if an organization does not project itself as a good employer,
It may face difficulties in recruitment and maintaining the employee morale. In order to project an effective corporate image, it is necessary to try and understand all the stakeholder groups, their perceptions, expectations and needs. Understandably, the needs and aspirations of the various stakeholder groups will be different, and it is necessary to recognize that these needs can differ rather drastically between the groups. There might also be differences within groups; but, for sake of simplicity, we will assume that individual groups are relatively homogeneous with respect to their image perceptions.

To add to this complex web, if an organization operates in more than one industry, it might face totally different stakeholder groups; and hence, the task of managing its corporate image becomes all the more difficult. Nevertheless, there may be certain aspects of the corporate image common to both industries. This is rather a simplified version of the problem, as there are companies which operate in more than two industries. It is sufficient to say that the complexity increases proportionally.

2.4 Justification of the Study (Research Gap)

The work is essentially a review of empirical literature on corporate reputation and its effects on firm performance with a view to making contributions to knowledge. In this sense, the deductive reasoning approach is used with the tool of analysis being deductive reasoning.
CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter discussed the research design, the target population, the sampling design, the sampling procedures, the research instruments, data collection techniques and data analysis and presentation.

3.1 Research Design

The study was based on the descriptive research design. Orodho (2003) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. Further, Donald (2006) notes that a research design is the structure of the research, it is the “plan” that holds all the elements in a research project together. Descriptive research design is a systematic, empirical inquiry into which the researcher does not have direct control of independent variables as their manifestation has already occurred or because they inherently cannot be manipulated. Inferences about relationships between variables were made from concomitant variations of independent and dependent variables. Descriptive research design was used in cases where the study expected to have a target group explain or describe certain issues about important variables of the study. According to Mugenda and Mugenda (2008) it is important and appropriate to use data where subjects are observed in either natural setups without manipulating the environment. It can be used when collecting information about people’s attitudes and options.

The research design was chosen because the study was not confined to the collection and description of the data, but sought to investigate and establish the existence of certain relationships among the variables under investigation. Hence, it was selected to satisfy this aspect of the study (Mugenda, 2008). This research adopted a descriptive research design where
the population of interest was KCB branch in Kawangware. The design was deemed appropriate because the main interest was to explore the visible relationship and describe how the factors support matters under investigation. Descriptive design method provided quantitative data from cross section of the chosen population.

3.2 Target Population and sample size

Table 3.1 Target population and sample size

<table>
<thead>
<tr>
<th>Population category</th>
<th>Target population</th>
<th>Sample size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>5</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Middle management</td>
<td>32</td>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td>Low level management</td>
<td>63</td>
<td>54</td>
<td>63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>86</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

According to Ngechu (2004), a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated. Population studies are more representative because everyone has equal chance to be included in the final sample that is drawn according to Mugenda and Mugenda (2008).

3.3 Sample Design

The respondents were selected representing a target population of 100 possible respondents using random sampling by taking 86 of the target population to be the sample size. The sample size was obtained through random sampling, where the researcher randomly picked respondents from
level management consisted of a greater number of the population because they were the people tasked with performing most of the duties.

3.4 Data Collection Procedures

The study used a questionnaire as primary data collection instrument. According to Sproul (2008), a self-administered questionnaire is the only way to elicit self-report on people's opinion, attitudes, beliefs and values. The questionnaire was designed to give a brief introduction of suppliers. The questionnaires were divided into sections representing the various variables adopted for study. For each section of the chosen study included closed structured and open ended questions which sought the views, opinion, and attitude from the respondent which might not have been captured by the researcher. The questions were designed to collect qualitative and quantitative data. The open ended questionnaires gave unrestricted freedom of answer to respondents.

Data collection procedures represent the actual information that would be obtained for the purpose of the research study; it includes raw data like answered questionnaires, recorded interviews and observed data. The questionnaire was administered through drop and pick method to the officers of the selected departments. Secondary data involve data that is collected from other past data that had been collected and tabulated through graphs, charts and reports.

3.5 Data Analysis and Presentation

This included analysis of data to summarize the essential features and relationships of data in order to generate from the analysis to determine patterns of behaviour and particular outcomes, the data collected from the field will be assessed and comparison made so as to select the most accurate and quality information from the feedback given by various respondents. This involved
assessing and evaluating the questionnaires and other sources of both primary and secondary data. Descriptive statistics was employed in the analysis. The quantitative data were coded to enable the responses to be grouped into various categories. The organized data was interpreted on account of concurrence and standard deviation to objectives using assistance of computer packages especially SPSS and Microsoft Excel to communicate research findings. Data was grouped into frequency distribution to indicate variable values and number of occurrences in terms of frequency. Frequency distribution table was informative to summarize the data from respondents.
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

The chapter gives the analysis of the study findings which were collected and analyzed by the researcher by use of stated method to enable better understanding of study findings. The objective of this study was to find out the role of PR in building an organization corporate image. KCB Kawangware branch, in Nairobi was selected for the study.

4.2 Analysis and Interpretation

### 4.2.1 Gender of Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>Female</td>
<td>34</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

![Gender Distribution Chart]
Table 4.1 and Figure 4.1 show that 60% of the respondents represented male while 40% of the respondents were female. This indicates that a large sample of the respondents were male.

4.2.2 Years of Experience with KCB

Table 4.2 shows how long the respondents have been working in KCB. From the data collected, it could be seen that 32% of respondents have spent between 0-5 years working with the company, while 27% have spent 6-10 years, 26% have been there for 11-15 years, and 15% for more than 15 years. In view of this fact, it could be deduced from the analyzed data in Table 4.2 that 77.7% of the respondents have spent appreciable period of 5 years and above working in the firm.
4.2.3 Level of Education of Employees

Figure 4.1 Level of Education of Employees

Figure 4.3 show that 19% of the respondents had attained masters, 51% a Bachelor’s degree, 30% a diploma. This shows majority of the employees had attained some level of education although there was need for the organization to encourage or develop its staff to grow academically and increase their capacity from the current levels.

4.2.4 Reasons for KCB to engage in PR

Kotler and Lee (2005) describes that companies engage in PR in order to look better, feel better, do better and live longer. The overall objectives with PR activities at KCB are to confirm existing customers that they have chosen the right bank, and that KCB wants to keep them as customers. The objectives are also to reach out to new and potential customers with offers, and to reinforce the brand and the image of the organization. These objectives are then split up into the different target groups for further development.

From the study it was evidently felt that though engaging in PR, in its daily business it can reach the goals that are set, which are to have satisfied customers, good result, profitability from the
business, and to get employees motivated. The employees at KCB to a great extent reasoned that
through participating in PR the company could gain improved brand image and reputation. The
respondents also described that employees felt motivated and proud to work for a company that
engaged in PR.

4.3.6 Types of relations

Table 4.3 Types of relations

<table>
<thead>
<tr>
<th>Types of relations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media relations</td>
<td>21</td>
</tr>
<tr>
<td>Employee relations</td>
<td>34</td>
</tr>
<tr>
<td>Financial relations</td>
<td>10</td>
</tr>
<tr>
<td>Corporate relations</td>
<td>12</td>
</tr>
<tr>
<td>Public affairs</td>
<td>23</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>
From the study it is evident that PR activities are bringing value by resulting in strong and good relationships with various publics. These relationships are important to maintain, but does not always result in the outcome that most firms wish for. For example relations with media can be fine, but does not stop the newspaper from writing an article with negative bias if they have the possibility to do so. The newspaper is also doing their job, filling their pages with exciting news. Therefore bad publicity does not necessary need to be the result of a poorly maintained relationship with the media.

4.3.6 Increased customer loyalty and satisfaction from public relations

<table>
<thead>
<tr>
<th>Increased customer loyalty</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>80</td>
<td>93</td>
</tr>
<tr>
<td>No</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

![Pie chart showing increased customer loyalty vs. satisfaction from public relations]
Table 4.4 and Figure 4.4 indicate that the respondents agreed that through public relations there was improved customer loyalty and satisfaction. The study showed that 93% of the respondents stated that public relations improved customer loyalty and satisfaction.

4.2.7 Benefits from your PR activities

The respondents strongly agreed that through engaging in PR, the company had acquired the following benefits: improved customer loyalty, increased sales due to customer attraction, improved employee retention, improved employee motivation, improved employee retention, enhanced company image, and improved community relations. Hence from the study the respondents strongly agreed that through engaging in PR the firm had acquired numerous benefits.

4.3 KCB Public Relations

From the study, the respondents felt within KCB, PR activities are used both to build an image of the organization and to inform and educate about products and services. The recent years, KCB have put extra effort in PR activities that inform and educate about advice services provided by the bank. This is done because bank advice services are becoming increasingly important for the customers. Therefore specialists and experts in different areas inside the bank have been highlighted in the communication to provide their views and recommendations about specific issues of interest to the customers.
When communicating with different target groups, KCB uses PR to reach out and build a relation with customers and publics. The most important relation is between KCB and their customers, followed by media relations. Media publicity is not a goal in itself; instead it should be seen as a medium to reach customers or potential customers. Employee relations called "Internal information" is also an important relation, where PR is utilized actively to inform and stimulate employees. In financial relations PR is also used to get editorial space in the media to influence and inform potential investors and stakeholders. The least dominant, but still important relation in KCB's communication strategy is the public affairs, the communication with various governmental institutions and decision makers.

The most common PR tools used by KCB are image building activities like press releases, regular reports and speeches. KCB puts great focus on the personal contact with the customers. Therefore at branch level, the personal contact is an important tool. The company website is another important PR tool which KCB put much effort on. Almost fifty per cent of the customers use Internet services to do their bank transactions. Therefore this channel is useful to inform, educate and build relations with the customers. The least important tool used by KCB is publications. They have a great amount of printed publications and brochures, but today more effort is instead put on e-activities such as the website and the Internet bank.

In KCB the most important trust building activity is the contact with customers whenever it is physical, by phone or at Internet. One of the greatest advantages with good PR, if used in right way, is that it can strengthen positive values and tones amongst the publics. It is harder to handle and manage negative issues with PR. The effects of negative issues can be toned down
but not eliminated by using PR. Activities regarding PR should first of all be used to handle positive issues, but can also if needed be used to fend off negative issues.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The study was carried out in order to assess the role of public relation in building corporate image of the Kenya Commercial Bank. The general objective of the research was to discover how media relations were viewed and utilized in Kenya’s banking organizations.

This chapter includes the summary of the findings, conclusion and recommendation.

5.2 Summary of the findings

The findings of the study suggest that in the KCB, media relations plays a key strategic role to build relationships with the media as well as to inform and educate stakeholders in profiling and better managing the organizations’ reputations. From the respondents they viewed the concept of public relations as a very important promotional tool for the business organization since positive relations built with the public directly and indirectly affect the organization’s business activities. Consequently, they termed PR as the process of building good relations with the firms various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events. Hence, the media relations function is not limited to generating publicity for the organization’s products and services but extends to so many activities of the business that it affects.

From the study it is evident that the organizations’ media relations objectives were set and functions strategized in line with their corporate and competitive goals. This is so since KCB has some primary objectives such as serving their consumers and providing satisfaction in the best
The study revealed that participants predominantly played managerial public relations roles and the heads of public relations in the organization studied were represented at policymaking level. This had a positive impact on media relations planning and execution as the function was seen as part of the big picture. The fact that those engaging in PR are made to feel that their activities have a huge influence in the running and success of the business made it an added incentive for them to search for greater success.

From the study it is evident that PR activities are bringing value by resulting in strong and good relationships with various publics. The study identified different types of relationships that the organization could be identified with in the course of their business running. The forms of relationships identified were; media relations, employee relations, financial relations, corporate relations, and public affairs. These relationships are important to maintain, but does not always result in the outcome that most firms wish for. For example relations with media can be fine, but does not stop the newspaper from writing an article with negative bias if they have the possibility to do so. The newspaper is also doing their job, filling their pages with exciting news. Therefore bad publicity does not necessary need to be the result of a poorly maintained relationship with the media.

Subsequently, the respondents stated that they fixed budget allocations to carry out media relations initiatives. This shows that KCB management was ready and pursuing the success that comes with public relations. The fact that they had placed some money for investment shows that
they are aware that good public relations ultimately lead to better services. They were also expected to evaluate their initiatives to ascertain if corporate and competitive goals were met and there was return on investment. With this the business is able to understand whether the measures it is taking are coming them benefits in the longer run.

Overall, respondents viewed media relations as an investment given its strategic role. This research shows that organisations that see beyond media relations’ promotional role fully benefit from its strategic value. This comes from all the benefits that are accrued from corporate image towards improved profits.

5.3 Conclusion

From the study, the respondents felt within KCB, PR activities are used both to build an image of the organisation and to inform and educate about products and services. The findings of the study state that the overall objectives with PR activities at KCB are to confirm existing customers that they have chosen the right bank, and that KCB wants to keep them as customers. This can be viewed as one of the main objectives of engaging in the practices since if a firm cannot retain its current customers, then even attracting new will be a greater challenge. Consecutively, the firm also aims to reach out to new and potential customers with offers, and to reinforce the brand and the image of the organisation among its competitors hence giving it the competitive edge. These objectives are then split up into the different target groups for further development.

The study showed that respondents overwhelmingly felt that through KCB engaging in PR in its daily business it can reach the goals that are set, which are to have satisfied customers, good result, profitability from the business, and to get employees motivated. The employees at KCB to
a great extent reasoned that through participating in PR, the company could gain improved brand image and reputation. The respondents also described that employees felt motivated and proud to work for a company that engaged in PR.

From the study we can note that in marketing, reputation is seen as the result of corporate branding; in accounting it is seen as a kind of goodwill; in organization theory it is seen as the manifestation of a corporate identity; in the field of management it is seen as a potential market entry barrier; and in agency theory it is seen as a signal about future actions and behavior, a pledge that justifies and promotes expectations of a principal about the actions of the agent. The reputation an organization enjoys is actually constructed by the publics of that organization.

Even with good press activities they ought to be followed by consistent good behavior, enduring good repackaging and genuine behavior change, whatever gain achieved in the process of press hype will never be sustainable or enduring. Hence, a firm ought not to consider only engaging in PR activities but ought to also provide a presentable product.

Conclusively, reputation can also arise out of a combination of past favorable actions of the organization such as good products/services, good social responsibility undertakings, good ethical behavior, good performance records, a publicly acknowledged record of good treatment of employees, and conscious image building, public relations efforts and favorable assessment by attention workers. All these efforts, products and activities aim at getting the people to form good impressions on their mind regarding an organization and its offerings.

5.4 Recommendations

From the study there are several recommendations that could be raised and they entail;

1) Through the study it is evident that to the public relations and mass communication students, the study can motivate them to further study on other much neglected subject
matter on product branding, and provide them with a storehouse of knowledge as well as provide direction to enable them execute high presence in their daily economic decisions especially on how they brand themselves.

iii) The study could provide corporate marketing executives in Kenya with an insight into the dynamic nature of image branding activities in the economy.

The research is important to the government in that governmental Public Relation needs to understand their mutual understanding between their agencies and publies by following a strategic Public Relation process. They could gauge public opinions plan and organize for public relation effectiveness.

iv) The goal of Public Relation officer is to promote cooperation and confidence between citizens and their government. This study could aid the officer in his course of work.

Notably, PR helps to convince the public about how best the services offered by the company are useful and also build good image for the organisation. It helps in identifying, solving and preventing problems to benefit management and can help companies to build alliances and build collaborative ventures which often can ensure the success of the businesses launched and new programs formulated.

5.5 Limitations of the study

In undertaking this study a number of challenges were faced. There was bureaucracy in getting approval to respond to questionnaires with most businesses insisting that permission be sought from the Manager. This led to delays in obtaining the required responses for data analysis in time. Some employees were unwilling to divulge information and seemed to not have time to fill in the questionnaires.
Moreover the fact that the study was only concentrated to one geographical area was another factor for the study since there was no room for comparison.

5.6 Suggestions for further research

The study might not have entirely covered all the areas with regards to public relations and hence the following could be considered for future study:

i) Conducting studies of the public relations in other KCB branches in the country so as to make comparisons with the study in Kawangware area.

ii) Conducting studies in other banks in the country so as to look at their levels of engagement with public relations.
REFERENCES


APPENDIX I: INTRODUCTION LETTER

Dear Respondent,

My name is Sharon Sekano Eshitera. I am a student at University of Nairobi pursuing a Diploma in Public Relations. The course requires me to do a research in partial fulfillment of the Diploma requirements.

I have chosen KCB Ltd to do the research on the Public Relations. The data that will be collected from this organization will be treated confidentially and will not be used for any other purposes other than academic research. I hope that you will be able to avail me your full cooperation in the period of my research.

Thank you in advance.
APPENDIX II: QUESTIONNAIRE

Please tick within the boxes and fill the structured questionnaire with applicable answer to enable the study to be a success.

Section A

1. Gender

Male  □
Female □

2. Highest Education Level Attained

College  □
University □
Masters □

3. Duration of work in the company

0 to 5 Years  □
6 to 10 Years □
11 to 15 Years □
Above 15 Years □
Section B

To establish the Public Relations practices at KCB.

4. Are you familiar with the term Public Relations?
   Yes
   No

5. How does your bank define PR?

6. What is the overall purpose with your PR activities?

7. How do you organize the PR activities?
   Own department or part of many other departments?
   [ ]
   How is the function of the PR manager organized within the organization?

What type of cooperation has the PR manager with the top management and board of directors?
SECTION C

Investigate whether PR activities engaged at KCB have an effect on the company’s financial performance.

In what way do the PR activities provide value in your organization?

Financial Performance

8. Please indicate the impact of the PR activities of the firm on the financial performance of the firm.

Strong Negative Impact 1 2 3 4 5 Strong Positive Impact

9. What is the public opinion about your organization?

Are you able to change the view and opinion through utilizing PR activities? [ ]

Can your PR activities easily be changed to meet changes in the public opinion? [ ]

Do you believe that the public’s opinion is dynamic in general? [ ]

10. What types of relations are you using in your PR activities?
Indicate the level of agreement with a tick in the boxes provided.

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<thead>
<tr>
<th>Types of relations</th>
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<td>Employee relations</td>
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<td>Corporate relations</td>
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<td>Public affairs</td>
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SECTION D

Trust & reputation

21. How do you consider your PR activities to build trust with your publics?

__________________________________________________________________________

__________________________________________________________________________

22. To what degree do you consider your PR activities to be successful when building trust with the publics?

Very great extent: [ ]
13. Do you believe that the trust can lead to increased customer loyalty and satisfaction?

Yes [ ]

No [ ]

14. How do you believe that your P.R. activities build corporate reputation?

Yes [ ]

No [ ]