

AN ASSESSMENT OF PUBLIC RELATION PRACTICE WITH  
REFERENCE OF AWASH INTERNATIONAL BANK (AIB)

A SENIOR ESSAY SUMITED TO THE DEPARTMENT OF  
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MANAGEMENT

BY

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JUNE, 2014  
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ST. MARY'S UNIVERSITY

FACULTY OF BUSINESS  
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### **The candidate's Declaration**

I undersigned declare to this senior essay or project is my original work, prepared under the guidance of w/z Meaza G/medhine. All source of materials for the manuscript have been duly acknowledged

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### **Advisor's Declaration**

This paper has been submitted for examination with my approval as the university advisor.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of Study**

Public Relation is an applied social and behavioral science which measures evaluates and interprets the attitude of the various relevant publics. Moreover, public relation is the management of relationship to establish good will and mutual understanding between an organization and its publics (Kumar, 2006:418-419).

There is no single organization around the world that is not affected by rapid changes caused by global competition, customer's pressure and development of information technology, therefore, the magnitude of Public Relation may differ to size and nature, no matter what the philosophy, the strategy and method is alike but it has a power to influence the global understanding or to escalate relation with in the firm and its customer, agents, employers (Black, 2004: 3).

Public Relation is also systematic approach to solve problem by creating an understanding between organization and the target audience with the objective of building good will and good image (Bati, 1994:28).

In such a view, Awash International Bank S.C (AIB) is one of the biggest private banks that require effective and efficient Public relation application. AIB was established by 486 founding shareholders on November 10, 1994 with a paid up capital of birr 24.2 Million. It was the first private commercial bank in Ethiopia following the down fall of the military regime and the declaration of market oriented economic policy. It started banking operation on February 13, 1995. The paid up capital of the bank increased by 28 percent, from birr 912 million as at June 30, 2012 to birr 1.2 billion as at June 30, 2013. (2013/2014 company annual report)

The bank has about 4200 employees and 129 Branches throughout the country. The head quarter is located around National Theater, Addis Ababa.

In this research paper the researcher is concerned with public relation practice of Awash International Bank and the researcher is also tried to look at the major problems and gaps to be considered of Awash International Bank.

## **1.2 Statement of the problem**

The basic cause for firm's poor image in the mind of its public is the gap that lies between its line of communication, understanding and cooperation as between the organization and the society at large (Scot, 2000:4).

Public relation recognizes a long term responsibility and seeks to persuade and to achieve mutual understanding by securing the willing acceptance of attitude and idea. Under modern condition no government, industry, company or organization of any kind can operate successfully without cooperation of its publics. These publics may be both at home and overseas but mutual understanding will be strong factors for success in every case. (Sam Black, 2004:5)

In line with the above public relation principles and practices Awash International Bank has stated the following activities to be done by the public relation offices. These are

1. Plans organize and direct the public relation activities
2. Studies and carries out public relation tasks with the view of improving public awareness and understanding of the bank.
3. Handle both internal and external relation of the bank
4. Maintains healthy relation with the government organization , civil society , private sector , media and etc to promote positive image of the bank

Considering the above duties and responsibilities, it was critically observed by the student researcher that the department has some major problems or gap. Such as the performance of Public relation office of the bank has no significant participation with regard to serving of the society in terms of event sponsorships, Community Service and donation, the Bank practice of public relation revolves only using one way communication or lack of feedback, the web page of the bank does not provide updated information.

### **1.3 Basic Research Question**

Accordingly, the student researcher has focused on the following questions:

1. Which Major public relation tools are used in Awash International Bank?
2. What is the company's level of participation in social activity in line with public relation?
3. What mechanisms are used to measure the effectiveness of the public relation strategy?

### **1.4 Objective of the study**

#### **1.4.1 General objective**

The general objective of the study has been to assess the public relation practice with reference of Awash International Bank.

#### **1.4.2 Specific Objective:**

- ❖ To identify the public relation tools that are used in Awash International Bank.
- ❖ To assess the level of participation in the social activity.
- ❖ To investigate the mechanism used to measure the effectiveness of public relation strategy.

### **1.5 Significance of the study**

- ❖ This study helps as input for company decision making more over.
- ❖ The study was importance to the student researcher in doing the cross match of the theoretical aspect with the real marketing practice. On the

other hand, this study can be used as a secondary data source for other researcher who would be interested to conduct similar study on the area.

## **1.6 Delimitation of the study**

The student researcher tried to assess the public relation practice of Awash International Bank. This study delimited on the Public Relation practice of Awash International Bank particularly on the Head office, because the company public relation department is only in the head office. Moreover, the student researcher analyzed the public relation practice and trend of the Bank for the last three years (2011-2013)

## **1.7 Research Design and Methodology**

### **1.7.1 Research Design**

The student researcher used descriptive research design to describe the public relation practice of Awash International Bank. Descriptive research has been used to obtain information on the characteristics of particular issue and to identify facts as well as response basic research questions.

### **1.7.2 Population, Sample Size and Sampling Techniques.**

#### **Population**

Customer and the public relation manager were the participant of this study.

#### **Sample Size**

Regarding the customers, it was difficult for student researcher to get the exact number of customers of the company. Due to this, it was not simple to determine the sample frame. Therefore, according to Malhotra(2006:364-385),when there is no sample frame, the sample size that is usually taken for studies conducted particularly on public relation is 150. For this

reason, the study included 150 customers of the company. Furthermore, the study also involved the public relation Manager of the company.

### **Sample Technique**

The student researcher used convenient sampling technique because of the unit of sample was available in a certain specific time and place. Moreover, purposive sampling technique used to the public relation Manager.

#### **1.7.3 Types of Data collected**

The student researcher used both primary and secondary data for the study. The primary data obtained from primary source like customers and the public relation manager. In addition reference books, broacher, websites has been used as secondary data.

#### **1.7.4 Method of data collected**

Two basic methods that the student researcher used to collect data: Questioner and Interview. The questioner distributed to the customers and the interview conducted with the public relation manager of Awash International Bank.

#### **1.7.5 Method of Data Analysis**

The response collected from customer was analyzed by quantitative and qualitatively method using percentage and has been also presented using tables, and the response collected from the manager was analyzed by using qualitative method.

### **1.8 Limitation of the Study**

- Some respondent were not willing to complete the questionnaires.
- Late reply by respondent a lot of respondent took more than three weeks to complete and return the questionnaires.

## **1.9 Organization of the paper**

This research paper consists of four chapters. The first chapter contains background of the study, statement of the problem, objective of the study, significance of the study, delimitation of the study, research design and methodology and organization of the study. Second chapter contain literature review. The third chapter deals with the data presentation analysis and interpretation of the research study. The fourth chapter have summary, conclusion and recommendation based on data collection analyze and interview.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Meaning and Definition of Public Relation**

According to Kotler (2006: 475) public relation defined as a building of good relation with the company's various public by obtaining favorable publicity, building up good corporate image, and handling or heading off unfavorable rumors, stories, and events,

Public relation defined as the management function which evaluated public relation identifies the policies and procedures of an individual or organization with the public interest and executes a program of action to earn public understanding and acceptance Belch (2004:23)

In addition Banik (2004:5) defined as the establishment of two way communications to resolve conflicts of interest and the establishment of understanding based on truth, knowledge, and full information from these perspectives public relation requires execution of communication programs designed to bring public acceptance and common understanding.

Create a 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. And public relation is used to promote product, people, places, idea, activities, organization and even nation. Public relation is a management tools designed to favorably influence attitudes towards an organization it products and its policies. It is an often over looked form of promotion. In most organization this promotional tools is typically a step child, related for behind personal selling, advertizing and sales promotion. Etzel and Other, (2001:501)



### **2.1.2 History of Public Relation**

Public relation has relatively short history and a very long way to go (Banik 2004:10) further, banik elaborates that public I the past has been practiced as an information and publicity tools of the government. He also clearly categorized the phase based on the India history as the area of propaganda, the area of pubic city and the modern public.

The purpose of public relation in the area of propaganda is to influence the mind of the customer or the public at are towards the company's need and faith in the area of publicity, public relation accepted it as a vital arm of management function.

Now a day, companies inform, persuading and integrating with their public specially their customers, the new area of public become more effective because of the development of technology that used to practice easily than before.

### **2.2 Objective of Public Relation**

Public relation may be thought to consists only of press relation or rather media relation since radio and television are also involved modern public relation extends in total the function of commercial and non commercial public and private organization. It deals with matters far removed from marketing and advertizing, to mention only community, employee, share holder and political relation. (N, kumar, and Mittal, 2007:337)

further, Black (2004:163) stated the aim of public relation programmes directed at overseas target is firs to protect he general reputation of goods and services, and secondly to enhance the reputation of goods supplied by particular company or industry.

According to Jobe, (2001:500) public relation activities can accomplish many objectives. Some of them are:

- **Prestige and reputation:** it can foster prestige and reputation which can help companies to sell products, attract and keep good employees, and promote favorable community and government relations.
- **Promotion of products:** the desire to buy a product can be helped by the unobtrusive things that people read and see in the press, radio and television. Awareness and interest in products and companies can be generated.
- **Dealing with issues and opportunities:** the ability to handle social and environmental issues to the mutual benefit of all parties involved.
- **Good will customers:** ensuring that customers are presented with useful information, are treated well and have their complaints dealt with fairly and speedily.
- **Good will of employees:** promoting the sense of identification and satisfaction of employees with their company. Activity such as internal newsletter, recreation activities and awards for service and achievement can be used.
- **Overcoming misconception:** managing misconception about a company so that unfounded opinions do not damage its operations.
- **Good will of government:** influencing the opinion of public officials and politicians so that they feel that the company operates in the public interest.
- **Dealing with unfavorable publicity:** responding quickly, accurately and effectively to negative publicity such as an oil spill or an air disaster.

- **Attracting and keeping good employees:** creating and maintain respectability in the eyes of the public so that the best personnel are attracted to work for company

## **2.3 Public Relation Target Audiences**

The targets of public relation efforts may vary with different objectives for each. Some may be directly involved in selling the product; others may affect the firm in a different way for instance they may be aimed at stockholders. According to Belch (2004:569) these audiences may be internal or external publics.

### **2.3.1 Aspects Public Relation**

From the point of view of management, there are two aspects of public relation, internal and external.

#### **2.3.1.1 Internal Public Relation**

The employees are the internal public of both public and private sector companies. They are important because they participate in its operation, production and formulation of its idea. Effective communication between management and employees is of great importance. The objective of an internal communication program should be the creation of an atmosphere of understanding and merited support of coordinated interchange of high morale and high efficient.

An employee of the organization likes to know about the achievement, new developments, new facilitates and its advantages, new management initiatives and also about the opportunities for him/her for growth within the organization, internal communication can help information flow on such matters to happen systematically on a real time basis(Banki, 2004:40-41)

#### **2.3.1.2 External Public of Public Relation**

as the main suggests in concerned with people outside the organization since it is necessary to communicate with different groups of people in

Public relation, the target population has to be defined, some of the groups of external publics are:

- **Customers:** every public and private sector organization has its own set of publics to whom it sells its production, service or ideas. it's the Endeavour of any organization to draw the attention of its ideas, products and services. In today's competitive market customers option for products or services that are known and have an image, and are backed by quality and good after sales services. Public opinion on such aspect cannot be ignored. In the long run, unfavorable options certainly affect sales. Public relation can help in controlling and setting rights some of these opinions and help solve problems. Generally protecting company's reputation concerning the company products or services among consumer or users.

no one can afford to be unmindful of the opinion and attitudes of the people concerning the organization public relation is therefore used to build an image (Banik, 2004:46)

- **Media relation** - the media, as we know it today a modern institution. a number of factors lead to the emergence of the medias as a predominant feature of modern life. Technical inventions, facilitating mechanical reproduction, the spread of literary, and the increasing use of regional languages affecting a transformation in outlook grew on time to communicate and create public opinion. no matter what the character of the government or the organization is, it cannot ignore the people ever governmental or organization is accountable to the public. (banik,2004:46)

- **Government:** the owner of the public sector is vested with government, which represents the people. So the people are real owner of this national sector. a government relation has two faces to it. First, the pr for the government (as an organization) and second, PR with the government as the target group. PR for the government involves mobilizing public support for the government activity, to build relation with the government and to help for the good of the community or society.
- **Public relation with the government:** involves, keeping the government- politicians and Bureaucrats- company side or favor it envisages maintaining good link with the government, which will be of benefit to the company. (Banik, 2004:45)
- **Financial relation:** the main target group of a company in financial PR is its shareholders and potential investors. They have to be given information they are entitled to have, and they have to be kept interested in the company. PR must establish, maintain and improve the company's image and reputation so that it can ensure financial backing from the public and the financial institution.
- **With the growth of the economic and the business,** management of financial promotion and PR has taken on a new dimension. Organizations are making special effort to ensure the goodwill of their investors, financial institutions and the rest of the financial community. This is being done in the media ranging from annual reports to special brochures to audio visuals, video films and even corporate advertising in the press and television. (Banik, 2004:45)
- **Citizen action groups:** the company should adopt a democratic approach while dealing with them. It is better to maintain regular contact and dialogue with citizen action groups so as to avoid any

cause of compliant/grievances. the company should respond to their communication in a frank and fair manner and take their suggestions, views and advice from time to time on the possible changes likely to take place in the company to ascertain their reactions and to incorporate appropriate changes if required, it is desirable to give information to them on any subject relating to company so as to build confidence and trust and to avoid the possibilities of misunderstanding. (Banik, 2004:46)

➤ **Public at large**- the term PR for public at large has three major ramifications: -

- ❖ Information given to the public.
- ❖ Attempts to modify attitude and action of an organization to respond to the public and
- ❖ Ascertain and convey the reaction of the public to the management.

Creating favorable image all the time under the change situation is the new job of PR practitioners as the company may have to raise new capital from the market. The image of the company is vital for the people at large and creating this image, thus become the communicator's job. (Banik, 2004:45)

## **2.4 Effective Public Relation**

According to bow man and Ellis in Sahu and raut (2003: 140) for a public relation program to be effective its objective should be defined and determine the progress success and to be reviewed. To implement effective public relations practice the following three basic factors should be done correctly.

- ❖ Setting specific objective that are capable of evaluation
- ❖ Fully integrating the public relation function in to the organization and

- ❖ Select the right person to carry out the public relation

They select personnel should have skills and attributes necessary to be successful including:-sound judgment, personnel integrity and communication skill, organizational ability, strong personality and team player. To implement effective public relation practice the above three basic factor, objective setting, integration and selection should be done correctly as much as possible.

## **2.5 Major Public Relation Tools**

Public relation tools used by the public relation department to communicate with the public's and target groups depending up on the nature of activity and different target groups, different tools can be used.

- ❖ **Publications:** - may include interim report, annual report, and reports of firms meeting for the purpose of influencing the general background information to the reader about the overall condition of the organization. The written and printed communication produces higher level of comprehension to readers. It in corporate objective idea and goal by way of production of booklets, brochures, pamphlets and the like
- ❖ **Circulars:** - a circular is a letter generally sent to several persons or readers communicating some information or message. It is a simple, quick and easy medium of communication to send some message to a target group of readers (Banik, 2002:78)
- ❖ **Face to face communication:** face to face communication normally produces better result than written communication can do for interpersonal communication purpose. His essential feature here is face to face communication, both of which are ideal for persuasion and achieving quick. People are some likely to believe, if they are convinced and the face to face meeting to their direct media which can build up this are liability. Banik, (2004:78)

### ❖ **Information center**

According to Banik, (2004:80) the information center are multi-purpose in nature and provide in several services to the organization as well as employees and also the members of the public outside, among different purpose of the information center. The following three are the most important.

#### **To have inquiry Desk**

The purpose of inquiry desk is guiding public through information according to Banik (2002:78) in selecting the personnel of information center take the following qualities in to consideration person for persons to be deployed:- should be well educated, must be polite, must have good knowledge about the organization and should have a pleas and personality.

#### **To Run Reading Room**

A reading or study room is a place provides current book, magazines, news papers, periodicals, journals etc. Generally for the use of the employees.

#### **To maintain a reference library**

To maintain reference library both for employees and as well as public outside. Public relations take care to provide necessary reference documents about the important data and events relating to the organization.

### ❖ **Sponsorship**

sponsorship as a means of giving something to the community in which they operate and consider them as PR activities, like sponsorship to school and college in the project area, hospitals, and big events like national seminars or Exhibitions on telecommunication or various institutional of telecommunications



❖ **Customer service and education**

Helping and teaching the customer of public relations activity which lubricate sales people will buy things they understand, appreciate and can associate with. So it be worked effectively in customer service and educating them continuously for customers have different choices to make in the competitive market and usually rely on the product or service they familiar the most.

❖ **Company website**

Company website can be a good public relation vehicle. Consumers and member of other publics can visit the site for information and entertainment. Such site can be extremely popular.

❖ **Relation with press**

Despite the emergence of electronic media like radio and television, a relation with the print media is the oscillatory in PR. The press provides information and creates the climate and thereby influences attitudes. Normally there are four methods to conduct press relation which include press releases, press conferences, facility visits and letters to the editors. Issuing new and initiating articles, and features and reports. Answering press enquires and providing compressive information service monitoring the press and keeping continuous liaison with the press for evaluating results and taking appropriate steps to correct misstatements to initiate counter publicity, are the main functions of press relation.

❖ **Advertizing**

It is the dissemination of information concerning an idea, service or product for the action accomplishment of a definite purpose with the ultimate objective to create a favorable image of an organization.

Uses of advertisement are to achieve wide coverage and to build the image of the company among its target group. Their objectives are varied

from just an announcement, to imparting specific information to communicating the organization stand on an issue. The objective also includes launching a new service or project or plant installation confidence and building image of among its target groups.

#### ❖ **House Journal**

It is an official publication of an organization, highlighting its policies, programs and achievements; it serves as a vehicle of communication among the various members of the company. The journal is published at regular intervals, they includes weeklies, fortnightlies, monthlies, bi-monthlies and quarterlies.

#### ❖ **feed back**

Public relation is a two way communication process. it is duty of PR not only to disseminate information and ideas to the public outside but also to make correct assessment of public opinion and reaction towards policies and program's of the organizations and bring to the notice of the management . Public reaction and response are very important for and origination and also the management to react suitably.

### **2.6 The Role of Public Relation**

Public relation can have a strong impact on public awareness at a much lower cost than advertizing. The company does not pay for space or time in the media rather, it pays for staff to develop and circulate information and to manage events. if the company develops and interesting story, it would by picked up several different media, having the same effects as advertizing that would have more credibility than advertizing (kotler, 2006:467)

In addition (Belch and Belch, 2003: 694) stated public relation activates are needed to deal with local government, media trade association and the general public. The role played by PR is not just to help the company sell its product or service but also to present the firms as a good corporate citizen

concerned about the future of the country. Often, public relations are needed to deal with specific problems a company faces. it takes responsibility to maintain mutual beneficial relationships between the organization and the its publics.

## **2.7 Measurement of Effective Public Relation**

A number of criteria may be used to measure the effective of PR program. Some of the means for accomplishing the evaluation process are the following.

- ❖ **personal observation and reaction:** this should occur at all level of the organization
- ❖ **Matching objectives and results:** specific objectives designed to attain the overall communications objectives should be related to action, activities, or media coverage.
- ❖ **The tea approach:** using research principles and working together, the team develops and accomplishes the goal.
- ❖ **Management by objective:** executives and their managers act together to identify goals to be attained and the responsibilities of the managers. These goals are then used as a standard to measure accomplishment.
- ❖ **Audits:** Both internal and external audits may be used. internal audits involved evaluation superiors or peers within the firm to determine the performance of the employees. External audits are conducted by consultants, the client or other parties outside the organization (Blech and Blech, 2001:592)

Further, Johnson, (2005:25) suggested the following way of measuring the effectiveness of PR. measurement is organized by measuring outputs, measuring outgrowth, and measuring outcome.

Measuring output is the amount of exposure in the media, the number of placement and audience impressions, and the likelihood of having reached specific target audience. Output can be measured by the following.

- ❖ circulation
- ❖ impression
- ❖ target medial reach
- ❖ target audience reach
- ❖ Competitive analysis

Measuring outgrowth is the measurement of reception. This is whether or not a target audience actually received the message directed at the, and whether they paid attention to , understood and retained those messages. Some common way to measure outgrowth

- ❖ Focus group
- ❖ Mail intercepts
- ❖ Call-ins
- ❖ day after recall
- ❖ event participation

Measuring outcome is the measurement of attitude and behavioral change i.e. , whether anyone change his or her mind or went out and did something as a result of what was said or done through public relation . the following are techniques to be used to measure outcomes.

- ❖ Data collection methods such as observations, participation and role playing
- ❖ Before and after polls
- ❖ Experimental research design

## **2.8 Factors Affecting the Effectiveness of Public Relation**

There might be many factors which have an influence on the practical public relation activity of an organization, Hiebin and cooper (2003:38) recommended the following factors should be considered prior to any public relations activities implemented this activity are: -

- ❖ Setting public relation objectives
- ❖ Identify the company target group
- ❖ Identify the appropriate public relation tools
- ❖ Activities shall be specify
- ❖ Setting standard
- ❖ Selection of personal relations department and
- ❖ Availability of technology

Companies that are really effective at public relation know that it is a long term process. To get the ear of the top journalists and political influencers, a relationship has to be developed based on mutual inter credible and attractive source of information.

## **2.9 Advantage of Public Relation**

According to (Blech, 2006:576) Public relations have different advantage such as :

- ❖ **Creditability:** because public relation communication are not perceived in same light as advertizing that is the public does not directly or indirectly paid for them they tend to have more credibility.
- ❖ **Audience of clatter:** they are typically perceive a new item public relation message are not subject to the clatter of advertisement
- ❖ **Image building:-** effective public relation help to develop a positive image for the organization a strong image is insurance against inter miss fortunes Low.

- ❖ **Lead generation:** - information about technology innovations and the line may results the firm some quality service leads.
- ❖ **Ability to reach specific group:** is the company does not have the financial capability to engage in promotional expenditures, the best way to communicate to these group is thorough public relation.

### **CHAPTER THREE**

#### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

This Chapter deals with the presentation, analysis and interpretation of the data gathered from customers as well as Public Relation Manager of Awash International Bank.

This data were obtained through questionnaires and interview. The questionnaires were distributed to customers of Awash International Bank and the interview was held with Public Relation Manager of Awash International Bank.

Customers of three branches of Awash International Bank were taken as a sample respondent. Thus, 150 copies of questionnaires were distributed. Out of the total 150 questionnaires distributed, 133(88.66%) were filled and returned.

### 3.1 General Characteristics of the Respondents

**Table 1. Gender, Age, Education Backgrounds and their Duration as a customer.**

| No       | Item                                | No of Respondent | Percentage |
|----------|-------------------------------------|------------------|------------|
| <b>1</b> | <b>Gender</b>                       |                  |            |
|          | A. Male                             | 103              | 78.19      |
|          | B. Female                           | 30               | 21.81      |
|          | <b>Total</b>                        | <b>133</b>       | <b>100</b> |
| <b>2</b> | <b>Age</b>                          |                  |            |
|          | A. 18-30                            | 59               | 44.19      |
|          | B. 32-40                            | 48               | 37.23      |
|          | C. 41-50                            | 12               | 9.02       |
|          | D. 51 and above                     | 13               | 9.56       |
|          | <b>Total</b>                        | <b>133</b>       | <b>100</b> |
| <b>3</b> | <b>Education Background</b>         |                  |            |
|          | A. 1-12 grade                       | 21               | 15.79      |
|          | B. Certificate                      | 15               | 11.28      |
|          | C. Diploma                          | 36               | 27.06      |
|          | D. 1 <sup>st</sup> Degree           | 40               | 30.08      |
|          | E. Master and above                 | 21               | 15.79      |
|          | <b>Total</b>                        | <b>133</b>       | <b>100</b> |
| <b>4</b> | <b>Their Duration as a customer</b> |                  |            |
|          | A. Less than 3 years                | 22               | 16.54      |
|          | B. 4-6 years                        | 51               | 38.35      |
|          | C. 7-10 years                       | 45               | 33.83      |
|          | D. 11 years and above               | 15               | 11.28      |
|          | <b>Total</b>                        | <b>133</b>       | <b>100</b> |



Source: questioner survey

As summarized on the first item of table 1 the gender category of the respondents from the total respondents 103(78.19%) were male customers, while the rest 30(21.81%) were female customers. This indicated awash international bank has more male customer than female.

The Second item of Table 1 summarizes different age group of the total number of customer respondents about 59(44.19%) of customer respondents where in the age group of 18 to 30 Years, 48(37.23%)of them were between the age of 31 to 40 years, while 12(9.02%) of them where between the age of 45-50 and the rest which cover 13(9.56%) of the respondents were above 51 years. This shows that most of Awash International Bank customers are matured enough to answer those questions responsibility and honestly.

As summarized on the third item of table 1 the educational background of the respondents from the total respondent 21(15.79%) are at one up to twelve grade level, 15(11.28%) in the certificate level, 36(27.06%) were at diploma level, 40(30.08%) of the respondent were at 1<sup>st</sup> degree and the rest 21(15.79%) respondents were Masters and above level. This shows that most Awash International Bank Customers have at least in the diploma and 1<sup>st</sup> degree level. It implies the bank of public relation department can communicate easily with them.

In the last item of table 1 which tells for how long the respondent have been customer of the bank 22(16.54%) of respondent they were customer for less than three years, 51(38.35%) of respondent they were customer for four up to six years, 45(33.83%) of respondent they were customer for seven up to ten years and the remaining 15(11.28%) of respondent were customers for eleven and above years. This data shows that most of the respondent have four and above experience being customer of the bank which indicates the student researcher that they are fit to discuss about the public relation practice of the bank.

### 3.2 Analysis of Major finding

**Table 2 Respondent rating of AIB good relationship and image**

| No | Item   | No of Respondent | Percentage |
|----|--|------------------|------------|
| 1  | How do you rate the effectiveness of the company in order to create good communication with customer |                  |            |
|    | A. Very high   | 15               | 11.28      |
|    | B. High  | 15               | 11.28      |
|    | C. Medium  | 44               | 33.08      |
|    | D. Low   | 59               | 44.36      |
|    | E. Very low  | -                | -          |
|    | Total  | 133              | 100        |
| 2  | What is the level of company's image in the minds of customers                                       |                  |            |
|    | A. Very high   | 17               | 12.79      |
|    | B. High  | 21               | 15.79      |
|    | C. Medium  | 71               | 53.38      |
|    | D. Low   | 24               | 18.04      |
|    | E. Very low  | -                | -          |
|    | Total  | 133              | 100        |

Source: questioner survey

As summarized on the first item of table 2 the respondents were asked the effort of the company in order to create a good relationship with customer out of the total respondents 15(11.28%) of the respondents reflected their view by

selecting very high and similar number of respondent 15(11.28%) rated it as high, 44(33.08%) of respondents were selected medium the remaining 59(44.36%) of the total respondents selected low. This result summarizes that company's public relation activities are not effective to create two way communications. As we have seen in the literature review the establishment of two way communications is to resolve conflicts of interest and the establishment of understanding based on truth, knowledge, and full information from these perspectives public relation requires execution of communication programs designed to bring public acceptance and common understanding.

On the other hand the company Public Relation Manager mentioned during the interview session regarding two way of communication the bank have limitations However currently the bank using its free phone line, website, customer suggestion books, face to face discussion and other mechanisms tries to reach its customer and the public at large beside to other one way communication lines of the bank.

The last item of table 2 tries to summarize and presents that the response of customer of Awash International Bank regarding the level of the company's image. Out of the total respondent 17(12.79%) replied that it was very high, 21(15.79%) of them replied that it was high, 24(18.04%) rated it as medium and the remaining 71(53.38% rated it as low. This implies that the image of Awash International Bank in the mind of customer low level and the company's effort in the process of image building is at a poor level.

**Table 3 Response of Customers in terms of Bank's Public Relation tools**

| No | Item   | No of Respondent | Percentage |
|----|--|------------------|------------|
| 1  | How do you rate as a customer the company's effort to use sponsorship in order to build a better image       |                  |            |
|    | A. Very high   | 11               | 8.28       |
|    | B. High  | 47               | 35.38      |
|    | C. Medium  | 43               | 32.33      |
|    | D. Low   | 17               | 12.78      |
|    | E. Very low  | 15               | 11.28      |
|    | Total  | 133              | 100        |
| 2  | How do you rates as a customer the company effort to use donation in order to build a better image           |                  |            |
|    | A. Very high   | 9                | 6.77       |
|    | B. High  | 18               | 13.53      |
|    | C. Medium  | 39               | 29.33      |
|    | D. Low   | 52               | 39.09      |
|    | E. Very low  | 1                | 11.28      |
|    | Total  | 133              | 100        |
| 3  | How do you rate as a customer the company's effort to use Community Service in order to build a better image |                  |            |
|    | A. Very high   | 15               | 11.28      |
|    | B. High  | 33               | 24.81      |
|    | C. Medium  | 36               | 27.06      |
|    | D. Low   | 43               | 32.34      |
|    | E. Very low  | 6                | 4.5        |
|    | Total  | 133              | 100        |

Source: questioner survey

Item one of table 3 analyzes and presented the respondents answer about sponsorship activities of Awash International Bank. Accordingly, 11(8.28%) of the respondents replied very high on the other hand, 47(35.33%) of respondents rated high, 43(32.33%) of them said it was medium, 17(12.78%) of respondent replied low and the remaining 15(11.28%) are very low. This implies the company's sponsorship activity is good .

Item two of table 3 summarizes and present about donation. Out of the total respondents, 9(6.77%) of them replied very high, 18(13.33%) of respondent said high, 39(29.33%) of respondent confirmed it was medium, 52(39.09%) of the respondent marked it was low and the remaining 15(11.28%) believed it was very low. This implies the company's participation donation activity is low.

The last Item of table 3 summarizes and present about community service out of the total respondent 15(11.28%) of respondent replied very high, 33(24.81%) of the respondent selected high, 36(27.06%) of respondents selected medium and the remaining 43(32.34%) and 6(4.5%) of respondents selected low and very low.

This implies that the company's public relation practice in using sponsorship, donation and community service is not efficient to build a better image in the mind of customer and publics. As we have seen in literature part using different public relation tools effectively is the most important function of public relation and it also enhances a company's reputation in the mind of customers and publics.

On the other hand the company Public Relation Manager mentioned during the interview session that AIB invests more than 10 million birr for promotion, Community service, donation and publicity. Accordingly to fulfill its corporate social responsibility the bank directly and indirectly participated in different humanitarian and social activities. For instance we can take the support of Addis Ababa school children in educational material and meal, hakim gar

environmental protection activities (Harrer city), disadvantaged university girls support program .... as an example.

**Table 4 Frequency of participating in sponsorship, community services and donation**

| No | Item   | No of Respondent | Percentage |
|----|--|------------------|------------|
| 1  | How frequently does the company participate in a community services in order to create better relationship |                  |            |
|    | A. Very frequently   | 9                | 6.77       |
|    | B. Frequently  | 12               | 9.02       |
|    | C. Medium  | 43               | 32.33      |
|    | D. Low   | 69               | 51.88      |
|    | E. Very low  | -                | -          |
|    | Total  | 133              | 100        |
| 2  | How frequently does the company participate a donation activity in order to create better relationship     |                  |            |
|    | A. Very frequently   | -                | -          |
|    | B. Frequently  | 21               | 15.79      |
|    | C. Medium  | 47               | 35.33      |
|    | D. Low   | 65               | 48.88      |
|    | E. Very low  | -                | -          |
|    | Total  | 133              | 100        |
| 3  | How frequently does the company participate in sponsorship activity in order to create better relationship |                  |            |
|    | A. Very frequently   | 12               | 9.02       |
|    | B. Frequently  | 24               | 18.04      |
|    | C. Medium  | 40               | 30.07      |
|    | D. Low   | 57               | 42.87      |
|    | E. Very low  | -                | -          |
|    | Total  | 133              | 100        |

Source: questioner survey

Item two of Table 4 regarding the frequency of the company in participating in a community services 9 (6.77%) of respondents replied very high, 12(9.02%) of respondent replied frequently while 43(32.33%) of respondents replied medium the remaining 69(51.88%) of respondent confirmed it was medium.

The second item of table 4 summarizes and presented the frequency of the company participating in donation from the total respondent 21(15.79%) of them replied frequently, 47(35.33%) of the respondents selected medium and the remaining 65(48.88%) of the respondent selected low.

The last item of table 4 summarizes and presented the frequency of sponsorship that the company doing to create a better relationship out of the total respondents 12(9.02%) of them replied very frequently, 24(18.04%) of respondents replied frequently, and the remaining 40(30.07%) and 357(42.87%) of the respondent selected medium and low.

This result implies that the frequency company's participation in social activities (community service, donation, sponsorship) is at poor level in the eyes of customer. As we have seen in the literature part social activities such as community service, donation and sponsorship are one of the most important public relation tools. It helps to enhance to maintain the image of the company among its different competitors.

However, the Public Relation Manager mentioned during the interview session that the bank supports the community through more than 10 events, more than 5 donation and different sponsorship activity in the year. In this case the company's effort participation was fairly good but it might be done the wrong target and media.

**Table 5 Comparison of company’s public relation methods with regard to in other competitor**

| No | Item  | No of Respondent | Percentage |
|----|---|------------------|------------|
| 1  | How do you evaluate the company public relation method compared to its competitor |                  |            |
|    | A. Very good  | 9                | 6.77       |
|    | B. good   | 15               | 11.28      |
|    | C. Medium   | 38               | 28.57      |
|    | D. poor   | 71               | 53.38      |
|    | E. Very poor  | -                | -          |
|    | Total   | 133              | 100        |

Source: questioner survey

The above table summarizes and present the company’s public relation method compared to other competitor. From the total respondents 9(6.77%) of respondent replied very good, 15(11.28%) of respondent replied good 38(28.57%) of respondents rated medium and the remaining 71(53.3%) rated poor. This result indicated that the public relation methods of Awash International Bank are a lower level when compared to its competitor.



**Table 6 Response of customer how much is the effort of the company in providing available information**

| No | Item  | No of Respondent | Percentage |
|----|---|------------------|------------|
| 1  | To what extent do you agree that AIB use adequate communication through radio, to avail information and establish ongoing communication with its customer   |                  |            |
|    | A. Strongly agree   | 18               | 13.54      |
|    | B. agree  | 52               | 39.09      |
|    | C. Medium   | 21               | 15.79      |
|    | D. Disagree   | 36               | 27.07      |
|    | E. Strongly disagree  | 6                | 4.51       |
|    | Total   | 133              | 100        |
| 2  | To what extent do you agree that AIB use adequate communication through TV, to avail information and establish ongoing communication with its customer      |                  |            |
|    | A. Strongly agree   | 21               | 15.78      |
|    | B. agree  | 55               | 41.35      |
|    | C. Medium   | 24               | 18.05      |
|    | D. Disagree   | 33               | 24.82      |
|    | E. Strongly disagree  | -                | -          |
|    | Total   | 133              | 100        |
| 3  | To what extent do you agree that AIB use adequate communication through Website, to avail information and establish ongoing communication with its customer |                  |            |
|    | A. Strongly agree   | 8                | 6.01       |
|    | B. agree  | 13               | 9.78       |
|    | C. Medium   | 19               | 14.29      |
|    | D. Disagree   | 60               | 45.11      |
|    | E. Strongly disagree  | 33               | 24.81      |
|    | Total   | 133              | 100        |

Source: questioner survey

The first item of table 6 summarized and presented the company providing adequate information through radio. Out of the total respondent 18(13.54%) of the respondents selected strongly agree, 52(39.09%) of the respondent selected agree, 21(15.79%) of respondent rated medium, and the remaining 36(27.07%) and 6(4.51%) of respondent selected disagree and agree. This implies that company's activity in order to adequate information through radio to customer is good.

The second item of table 6 summaries and presented the company providing adequate information and ongoing communication with customer through TV. Out of the total respondent 21(15.78%) of the respondent selected strongly agree, 55(41.35%) of the respondent selected agree and the remaining 24(18.05%) and 33(24.82%) of the respondent replied medium and disagree.

The last item of table 6 summaries and presented the company providing adequate information and ongoing communication with customer out of the total respondent 8(6.01%) of the respondent replied strongly agree 13(9.78%) of respondent selected agree, 19(14.29%) of the respondent rated medium and the remaining 60(45.11%) and 33(24%) of the respondent rated disagree and strongly disagree.

This result implies that the company uses adequate communication and establishes ongoing communication with customer through TV but Company's website communication is poor. As we have seen in the literature part Company using website can be a good public relation Media that Consumers and member of other publics can visit the site for information and entertainment at their convenient time.

In addition the company Public Relation Manager also confirmed, during our interview session that the company more or less used the above mentioned communication trend.

**Table 7 Response of customer concerning company's feedback mechanism**

| No | Item   | No of Respondent | Percentage |
|----|--|------------------|------------|
| 1  | The company takes feedback from its customer as an input to make a corrective action |                  |            |
|    | A. Strongly agree  | 15               | 11.28      |
|    | B. agree   | 36               | 27.06      |
|    | C. Medium  | 30               | 22.56      |
|    | D. Disagree  | 41               | 30.83      |
|    | E. Strongly disagree   | 11               | 8.27       |
|    | Total  | 133              | 100        |

Source: questioner survey

The concern of table 7 is whether or not the company takes feedback from customers as an input to make a corrective action. Out of the total respondent 15(11.28) of them selected strongly disagree, 36(27.06%) of them selected agree, 30(22.56%) of them selected medium and the remaining 41(30.83%) and 11(8.27%) of the respondent rated disagree and strongly disagree.

This implies that most feedbacks received from the customer are ignored by the company and the consequence can affected the relationship between the company and the customer as well as the image of the company. .

**Table 8 Customer compliant regarding to the company's public relation activity**

| No | Item   | No of Respondent | Percentage |
|----|--|------------------|------------|
| 1  | Have you had any kind of compliant regarding to company's public relation              |                  |            |
|    | A. Yes   | 74               | 55.63      |
|    | B. No  | 59               | 44.37      |
|    | Total  | 133              | 100        |
| 2  | If your answer is yes to the question to item one to whom did you report your complain |                  |            |
|    | A. To the Manager  | 23               | 31.08      |
|    | B. To Complain Handling Officer  | 22               | 29.73      |
|    | C. To front desk People  | 29               | 39.19      |
|    | Total  | 74               | 100        |
| 3  | How fast is the complaint handling you complain  |                  |            |
|    | A. Very fast   | 8                | 10.81      |
|    | B. fast  | 12               | 16.22      |
|    | C. Medium  | 10               | 13.52      |
|    | D. Slow  | 29               | 39.18      |
|    | E. Very slow   | 15               | 20.27      |
|    | Total  | 74               | 100        |

Source: questioner survey

Regarding customer compliant about the company's public relation activities 74(55.63%) respondents replies yes and the remaining 59(44.37%) of the respondent replies No.

The second item of table 8 summaries and presented the customer to whom did they report their complain out of the total customer respondents which

replied yes to item 1 table 8 23(31.08%) of respondents they report their complain to the manager, 22(29.73%) of the respondent informing there complain to the complain handling officer, and the remaining 29 (39.19%) of respondents informing compliant to front desk people. This implies most customer informing their complain to front desk people of the company

The last item of table 8 summaries and presented the complain handling quickness of the company out of the total customer 8(10.81%) of respondent replied very fast, 12(16.22%) of respondent replied fast, 16(13.52%) of respondent replied medium, and the remaining 29(39.18%) and 15(20.27%) of respondent replied slow and very slow.

This implies that most complains were not handled properly and timely by the company and it also can affect the relationship between the company and the customer as well as its image.

### **3.2 Some major finding qualitative interview with the public relation manager**

The student researcher has interviewed with the Bank public Relation Manager to get basic information about the public relation practice of the bank. As the result, all the questions are presented

#### **Which public relation tools are practiced in your bank?**

According to the Public relation Manger, To stimulate positive interest of the public to the bank and its products, AIB uses producing different publication, press releases, holding press conferences, staging special events and sponsoring newsworthy activities and other as a PR tools.

#### **How the above mentioned tools helped the bank to achieve the image its wants in the mind of its public?**

The public relation Manger said that, through the above activities the bank can raise the awareness level of the public, specifically its customer.

#### **What mechanisms are used to measure the effectiveness of the public relation strategy?**

The public relation Manager said that, there is no define specific measurement strategy

#### **What are the major strength of the company in terms of applying public relation activity?**

The public relation Manager said that good will of the bank, reputation of the bank, well organized team of staffs and structure, financial strength of the bank –PR budget.

#### **What are the major weaknesses of the company in terms of applying public relation activity?**

The public relation Manager said that, the company Focus on few traditional PR tools, Lack of strong PR activity through the internet(AIB website, social medias or any other,), lack of creativity on PR activities, lack of well organized Public relation policy, miscommunication of information, lack of periodical monitoring and evaluation of PR activities.

## **CHAPTER FOUR**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

As the main objective of the study is to assess the public relation practice of Awash International Bank, the study attended to address 3 questions posed in the first chapter of research paper. In order to achieve this objective questions were raised, related literatures were reviewed, and information data were collected through questioner and interview. After the analysis and interpretation made in previous chapter, the following summary, conclusion and recommendation are drawn

#### **SUMMARY**

The major findings of the research are listed follows

- Among the total respondent 103(78.19%) were male while the rest 30(21.81%) were female.
- Concerning the age of respondent most of them lies in the age of 18 to 30 years.
- Regarding the educational background most of the respondent have 1<sup>st</sup> degree and diploma level.
- The majority which has been customer, four up to six years are 51(38.35%).
- 59(44.30%) of respondent replied Company's public relation activities are not effective to create two way communications.
- 71(53.38%) of respondent replied the image of Awash International Bank in the minds of customers is at low level and the company's effort in the process of image building is at a poor level.

- More than 46(34.58%) of respondent says the company's public relation practice in using sponsorship, donation and community service is not efficient to build a better image in the mind of customer and publics.
- The frequency company's participation in social activities (community service, donation, sponsorship) is at poor level in the eyes of customer.
- 71(53.38%) of respondent replied the public relation methods of Awash International Bank are a lower level when compared to its competitor.
- 60(45.11%) of respondent replied the company's adequate communication and establishes ongoing communication with customer through radio and TV but Company's website communication is poor.
- 41(30.83) of respondent replied Most feedback and complains received from customers is ignored by the company.
- The company has no defined measurement to evaluate its public Relation activity.
- The company Focus on few traditional PR tools, Lack of strong PR activity through the internet(AIB website, social medias or any other,), lack of creativity on PR activities, lack of well organized Public relation policy, miscommunication of information, lack of periodical monitoring and evaluation of PR activities.
- According to the Public Relation Manger the company has some major strength like good will of the bank, reputation of the bank, well organized team of staffs and structure, financial strength of the bank –PR budget.



## **CONCLUSION**

Depending up on the finding discussed above the following conclusion are down

- Company's public relation activities (TV, radio, and website) are not effective to create two way communications thus it weakens the company ability to create better public relation methodologies and strategies.
- The company's public relation practice in using sponsorship, donation and community service is not sufficient. It, therefore, indicates that the company is in great threat to loss its customer as long as it continues the same way.
- The frequency company's participation in social activities (community service, donation, sponsorship) is poor. Such infrequent participation in social activity may cast a shadow on the general image of the company.
- The company uses adequate and ongoing communication through website is poor. As a result, this incapacitates the company to reach on international customer and those have no sufficient time and chance with the other Medias.
- Most of feedback and complains received from the customer is ignored by the company and the consequence can affect the relationship between the company and the customer as well as the image of the company. As it is well known, ignoring customers feedback and compliant defiantly creates dissatisfaction on customer, which leads to loss of customer or decrease in frequency of transaction with company. At the end therefore the company volume of profit shall decline.
- The company has no defined measurement to evaluate the effect of its public relation activities, thus, it shatter the company to have a chance to amend its strategy and its public relation actions

## **RECOMMENDATION**

- The major issue that needs recommendation is the public relation department must try to make effort to create two way communication and common understanding between the company and customers by providing continuously update information to all customer and publics on current issues of the company through, Website, broacher and facilitate meetings and different events.
- The frequency and practice of the company in participating and organizing social events as such activities is at lower level, which adversely affects the company's image. In order to improve its image, the company should extensively participate, support and organize such activities like community service, donation, sponsorship, and other related activities. This also helps the company to build better image and reputation in the mind of customer.
- To have well designed and functional website is the other problem due to this the company is unable to reach international customers and others in need of it. So that, acquiring a well designed and functional website is mandatory to earn the above mentioned type of customers.
- The other issue that has been determined to affect the image of the company in negative manners is ignoring the customer complain and feed back to the extant which intern creates customer dissatisfaction and loss of customers. In order to curve such negative indications, the company should create effective feedback mechanism and complain handling system by strengthen the existing one or opening new office responsible for this issue.
- Finally the Company must put specific measurement to evaluate its public relation activities using personal observation, survey of customer reaction, by evaluating target Vs result and by conducting formal research.

# Appendix

**St. Mary University**  
**Faculty of Business**  
**Department of Marketing management**

**Questioners to be fill by Customer**

This paper is prepared by a prospect graduate student of St. Mary University in the field of marketing management for the partial fulfillment of a senior essay in order to assess the public relation practice of Awash International Bank. Your answer will by concert base for the student's researcher paper. Fill all answer dedicatedly and honestly just by taking a few minutes out of your precious time. All information you provide to this study will be kept strictly confidential. Thank you in advance for filling this questionnaire.

General Direction

- No need to write your name
- Please put "✓" mark on the boxes that mostly explains your answer
- Please write short and precise answer

I. Personal Information

1.1 Sex    Male            Female   

1.2 age    18-30     32-40         41-50         51 and above

1.3 Educational Background

1-12 grade     Certificate         Diploma         1<sup>st</sup> Degree

Master and above

1.4 Occupation

For how long has been customer of the Bank?

1-3 years     4-6         7-10         11 and above

## II Question Directly Related to the Study

1. How do you rate the effort of the company in order to create good relationship with customer?

Very high  High  Medium  Low  Very low

2. How do you rate the company's sponsorship activity in order to build a better image,

Very good  good  Medium  poor  Very poor

3. How do you rate the company's in giving donation, in order to build a better image?

Very good  good  Medium  poor  Very poor

4. How do you rate as a customer the company's effort to use community service in order to build a better image?

Very good  good  Medium  poor  Very poor

5. What is the level of company's image in the mind of customer?

Very high  High  Medium  Low  Very low

6. Do you agree that Awash International Bank works towards creating general common understanding with customer

Strongly agree  Agree  Medium  Disagree

Strongly disagree

7. How frequently does the company participate in a community services in order to create a better relationship?

Very frequently  Frequently  Medium  Low

Very low

8. How frequently does the company participate in donation activity in order to create a better relationship?

Very frequently  Frequently  Medium  Low

Very low

9. How frequently does the company participate in sponsorship to create a better relationship?

Very frequently  Frequently  Medium  Low

Very low

10. How do you evaluate the company Public relation practice method compared to its competitors?

Very good  good  Medium  poor  Very poor

11. To what extent do you agree that AIB uses adequate communication through radio, to avail information and establish ongoing communication with its customer?

Strongly agree  Agree  Medium  Disagree  strongly disagree

12. To what extent do you agree that AIB uses adequate communication through TV, to avail information and establish ongoing communication with its customer?

Strongly agree  Agree  Medium  Disagree  strongly disagree

13. To what extent do you agree that AIB uses adequate communication using website to avail information and establish ongoing communication with its customer?

Strongly agree  Agree  Medium  Disagree  strongly disagree

14. The company takes information from its customers as an input to make corrective action?

Strongly agree  Agree  Medium  Disagree  strongly disagree

15. Have you had any kind of complaint regarding to the company public relation activities before?

Yes  No

16. If your answer is "yes" to the question number 15 to whom did you report your complaint?

To the Manager  To complain handling officer

To front desk people

17. How fast is the complain handling you complain?

Very fast  fast  medium  slow  very slow

18. Have you any suggestion about AIB public relation practice?

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18. .... / ..... ..

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**St. Mary University**  
**Faculty of Business**  
**Department of Marketing management**

**Questioners to be fill by PR Manager**

1. What do you say about the Bank relation with its customer?
2. What is the bank effort in applying two-way communication with its publics?
3. How does the bank inform to its public about its achievement?
4. What is the practice of the Bank in supporting community activity and events?
5. Which public relation tools are practiced in your Bank?
6. How the above mentioned tools helped the bank to achieve the image it wants in the mind of its public?
7. How does the overall public relation practice of the Bank looks like in your own opinion?
8. How many times does the Bank support community event, donation & Public release within a year?

9. What mechanisms are used to measure the effectiveness of the public relation strategy?
10. What are the major strength of the company in terms of applying public relation activity?
11. What are the Major weaknesses of the company in terms of the applying public relation activity?

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