

Mediated Communication Influence on the Promotion of Customer Relations in Ugandan Commercial Banks: A Case of Barclays Bank Limited Uganda [Mbarara Branch]

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Abstract: *This study investigated the influence of mediated communication on the promotion of customer relations in Ugandan commercial banks: case of Barclays bank limited Mbarara branch. The research was intended to; examine the influence of interpersonal mediated communication in promoting customer relations in Barclays Bank Uganda Mbarara branch. This study was both qualitative and quantitative and employed a descriptive survey design. Data analysis was done using computer SPSS software and the results were presented by use of tables, charts, and graphs. The findings indicated that mediated communication with customers has led to positive attitudes towards Barclays bank services, there has been improvement in information exchange as a result of interpersonal mediated communication and employee's interpersonal communication with customers improves customer loyalty. Interpersonal mediated communication has been appropriately used to attract and handle customers' needs, a factor that has promoted customers relations in Barclays Bank. There is need for Barclays bank to make a market research among its customers to establish which mediated communication is preferred such that it can realign its communication channels to suit customers' interests.*

Key words: Communication, mediated communication, interpersonal communication, customer relations, commercial banks

1. Introduction

Compared to face-to-face communication, mediated communication engages fewer senses, transmitting fewer symbolic cues (for example, most mediated communication does not transmit facial expressions) and is seen as more private (John B. Thompson, 2015). Parties usually require some technical expertise to operate the mediating technologies (Jennifer H. Waldeck et al, 2012). New computerized media, such as mobile telephones or instant messaging, allow mediated communication to transmit more oral and nonverbal symbols than the older generation tools (Jennifer H. Waldeck et al, 2012). Historically, mediated communication was much rarer than the face-to-face method (Jeffrey K. Olick et al, 2011). Even though humans possessed the technology to communicate in space and time for millennia, the majority of world's population lacked skills such as literacy to use them (Jeffrey K. Olick et al, 2011). This began to change in Europe with the invention of the printing press by Johannes Gutenberg that led to the spread of printed texts and rising literacy from the 15th century. Separately, the first print culture was Chinese in origin, with woodblock printing known from the 9th century, widespread adoption of paper-money, playing cards, and other printed goods far earlier than the West (A Hyatt Mayor, 1971). Whatever the tradition, face-to-face interaction has begun to steadily lose ground to mediated communication (Jeffrey K. Olick et al, 2011).

Nearly 40 years ago, a prediction was made that: "in a few years, men will be able to communicate more effectively through a machine than face to face" (Licklider and Taylor, 1968). The development of ICT and research into computer-mediated communication (CMC) underpins the move from face-to-face to online communication, but this change in channel is not fully understood in terms of the way that information is being exchanged. One reason for this may relate to perceptions of our society and the current vigorous debate around various concepts of "e-society", "information society", "information economy", and "interaction society" (Webster, 2002; Wiberg, 2005). In much of the world, information abounds and takes a wide range of forms; the supply and diffusion of information has been stimulated by the advent of the Internet (Rasanen, 2006). The Internet permeates all sectors of society (commerce, government, healthcare and education) and in so doing has changed the way that we interact with each other and with the technology. Moving face-to-face communication to mediated communication through web-based systems has resulted in a huge availability of information (as brought to us by the Internet), which means that information-seeking has become a primary activity (Savolainen, 1999), so much so that we could say that our online activities have transformed many of us (with access to ICT) into information consumers.

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Information and communication technology (ICT) has in particular brought a complete paradigm shift on the bank's performance and on the customer service delivery in the banking industry. In a bid to catch up with global development, improve the quality of customer service delivery, and reduce transaction cost, banks have invested heavily in ICT, and have widely adopted ICT networks for delivering a wide range of value added products and services. The ICT development has a significant effect on development of more flexible and user friendly banking services and hence customer relations (Alampay, 2006).

Barclays Bank Uganda is primarily involved in meeting the banking needs of individuals, small- and medium-sized enterprises (SMEs), and large corporations. Before 2006, the bank focused on meeting the banking needs of only large corporations and high-net-worth individuals. That focus was loosened to include SMEs and regular customers. As of December 2014, the bank was the fifth-largest commercial bank in Uganda, with assets valued at UGX: 1.4 trillion (Mwesigwa, 2015). At that time, the bank had 136,000 account holders, 42 branches, and 85 ATM outlets and employed 850 staff (BAG, 2015).

1.1 Statement of the problem

One of the fastest growing ways for reaching the consumers is and has been through internet based sites (Trusov et al., 2009). The mediated communication through use of internet has transformed the way the public and brands interact (Njuguna (2012). The importance for banks to manage the relationships with their customers is very critical in the expansion of clientele base and this has a direct impact in increasing banks turnover. In the banking field a unique 'relationship' exists between the customers and the bank. But because of various reasons and apprehensions like financial burdens, risk of failure, marketing inertia etc., many banks are still following the traditional ways of relations management and only few banks are making attempts to fully adapt customer relationship management and communication technologies (Gan et al., 2006).

Despite mediated communication technologies' emerging popularity and with its numerous advantages, Barclays Bank Uganda is yet to fully utilize it with its clients (Muteru, 2014). Consequently, the relations between a number of Barclays' clients and the bank have remained very low or nonexistent. This research was intended to find out the influence mediated communication has on customer relations in Barclays Bank Uganda and if improved mediated communication can help to improve the customer relations.

1.2 Research objective and hypothesis

The general objective of this study was to examine the influence of mediated communication on customer relations in Ugandan commercial banks.

Specifically the study was intended to examine the influence of interpersonal mediated communication in promoting customer relations in Barclays Bank Uganda. It was guided by the question that stated "What is the influence of

interpersonal mediated communication in promoting customer relations in Barclays Bank Uganda?"

2. Literature Review

2.1 Mediated interpersonal communication and customer relations

Interpersonal communication is an exchange of information between two or more people. It is also an area of study. Communication skills are developed and may be enhanced or improved with increased knowledge and practice. During interpersonal communication, there is message sending and message receiving. This can be conducted using both direct and indirect methods. Successful interpersonal communication is when the message senders and the message receivers understand the message. It encompasses: speech communication, nonverbal communication (Rovic Cañabano, 2011).

In his study, Heidarzadeh (2006) found a positive and significant correlation between individual service employees' communication with customers' relationships and loyalty. Rezaee (2009) in his research depicted that communication between individual employees and customers together impacted customers' satisfaction and loyalty. Guenzi & Pelloni (2004) in their research on health and fitness clubs concluded that customer loyalty only would be affected through close relationships between customers and employees. Bojei (2010) indicated the quality of the relationship including interpersonal dimensions (close relationships, communication quality and attention) and organizational dimensions (commitment, trust and satisfaction) influence customer loyalty.

PC enabled households have recently adopted email, pagers, chat and instant messaging as important communication media. Netmeeting and Netscape's Communicator are used for business collaboration and social communications. The Web is increasingly being used for business transactions and to provide customer care. However, most of these applications were designed for the workplace, and few studies of them examine the residential environment (Fukuyama, 2005).

2.2 Theoretical Review

2.2.1 The two-way symmetrical model

Theory is focused primarily in making sure that decisions made by an organization are mutually beneficial between itself and its audiences. The goal of Grunig's symmetrical communication model is one that embraces negotiation between the organization and its publics, and one that also fosters mutual understanding. During this aspect of Grunig's research, his idea for symmetrical communication "also was stimulated by Carter's (1965) and Chaffee and McLeod's (1968) conceptualization of coorientation." The roots for this model "represented a movement away from theories of attitudes held by one person and research on how to develop messages to change the orientations (attitudes) of person (Grunig, 1992). This model is drastically different in comparison to the stereotypical view of the PR practitioner as a manipulative figure who uses smoke and mirrors to

control audiences. The symmetrical model “proposed that individuals, organizations, and publics should use communication to adjust their ideas and behavior to those of others rather than try to control how others think and behave.” (Grunig, “Furnishing the Edifice,” 1995).

Unlike one-way communication which disseminates information through monologue, two-way communication exchanges information through dialogue (Grunig and Grunig 1992). Bernays originated the asymmetrical approach which is characterized by “gathering information from target publics in order to devise effective message strategies” which may be used to persuade or manipulate publics (Dozier, Grunig, and Grunig 1995). While the unbalanced asymmetrical model attempts to change the public, the symmetrical model attempts to achieve balance by adjusting the relationship between organizations and publics by focusing on dispute resolution to negotiate mutually beneficial outcomes (Dozier, Grunig, and Grunig 1995; Grunig and Grunig 1992). According to Grunig and Grunig (1992) the two-way symmetrical model is not only the most ethical approach to public relations, this ethical approach is also the “model most effective in meeting organizational goals”.

By creating channels of communication before controversy begins and keeping open channels of communication activists are more likely to trust the organization especially when a possibility of compromise is emphasized (Grunig 1992). Dozier, Grunig, and Grunig (1995) noted excellent communications departments use both the asymmetrical and symmetrical models, which they concluded make up a single mixed-motive model combining the “short-term use of asymmetrical practices within the context of a broad symmetrical philosophy”. Heath (2006) lends support for the mixed-motive model, he asserted that issues management is a management function which at its best promotes stewardship through dialogue and collaboration, for Heath when both parties on sides of a debate use persuasion; symmetry is “best defined by the ability of ideas to sustain themselves under public discourse”. Karlberg (1996) suggested that in order to truly achieve symmetry the resources of both sides of a debate must be equal and research should seek to discover “cost-effective symmetrical public relations opportunities and strategies” to be utilized by “resource-poor segments of the population trying to engage the media or enter into public discourse”.

3. Methodology

This research project adopted a survey research design and in-depth interview. According to Creswell (2003) survey research involves collecting quantifiable information from a sample by determining the current status of a sample population with respect to one or more variables. Mugenda & Mugenda (2003) further state that survey research “seeks to obtain information that describes existing phenomena by asking individuals about their perceptions, attitudes, behaviors or values” (p165). The research also used in-depth interviews with key informants to establish their views on the effectiveness of mediated communication in enhancing customer relations in Barclays bank.

Mugenda & Mugenda, (2003) opine that for descriptive studies at least 10% - 20% of the total population is enough. A sample size of 111 was used from the study population of 1100. Questionnaire method was used because the target population is assumed to be largely literate and is unlikely to have difficulties responding to questionnaire items (Oso and Onen, 2008). The questionnaire was used to collect data from Barclays bank clients that are using social media to comment on banks services

The interview method was administered to the top management staff members of Barclays bank and customer care officers. Interview guide was used to administer the interview method and this guide contained open ended questions for the respondent to answer at length.

Both qualitative and quantitative data analysis methods were used. Quantitative analysis of data collected from the questionnaire was done using Statistical Package for Social Scientists (SPSS). This helped in summarizing the data in tables and charts which made the findings easy to understand in chapter four and make clear conclusions to stakeholders.

4. Findings

The interview results indicated that the mostly used interpersonal mediated communication was person to person physical communication between customers and bank staff. The other forms of interpersonal mediated communication included use of social media platforms to chat with customers on a range of banking issues and receiving phone calls from customers.

Table 4.1: Influence of interpersonal mediated communication in promoting customer relations in Barclays Bank Uganda and the percentage responses.

Statements	Responses frequencies/percentage				
	Agree	NS	Disagree	Mean	Std Dev
Employee’s interpersonal communication with customers improves customer loyalty.	79%	4.2%	16.8%	3.99	1.126
One on one mediated communication with customer leads to positive attitudes towards Barclays bank services.	78.9%	5.3%	15.8%	4.05	.824
Interpersonal mediated communication has promoted information sharing amongst customers of Barclays.	87.3%	5.3%	7.4%	4.09	.912
There has been improvement in information exchange as a result of interpersonal mediated communication.	87.4%	11.6%	1.1%	4.24	.695
Interpersonal mediated communication has positively affected customer retention in Barclays bank.	77.9%	10.5%	11.6%	3.95	.904

According to the findings, 79% of the respondents were in agreement with the statement, 4.2% were not sure while 16.8% disagreed. The mean response of 3.99 and standard deviation of 1.126 were obtained. This indicated that majority were in agreement that employee's interpersonal communication with customers improves customer loyalty. The other statement was that one on one mediated communication with customer leads to positive attitudes towards Barclays bank services. The responses were that majority 78.9% of the respondents agreed with the statement, 5.3% were not sure while 15.8% disagreed. There was a mean response of 4.05 and standard deviation of 0.819 all of which indicated agreement. The findings indicated that to the majority respondents, one on one mediated communication with customer leads to positive attitudes towards Barclays bank services. The respondents were further asked to explain whether Interpersonal mediated communication has promoted information sharing amongst customers of Barclays. In response, 87.3% agreed with the statement, 5.3% were not sure while 7.4% disagreed. The mean response of 4.09 indicated high agreement and standard deviation of 0.912 showed non divergence of views. The findings indicated that majority did approve of the fact that interpersonal mediated communication has promoted information sharing amongst customers of Barclays. Respondents were also asked to react to the statement that there has been improvement in information exchange as a result of interpersonal mediated communication. In response, 87.4% agreed with the statement, 11.6% were not sure while the remaining 1.1% were in disagreement. The mean response of 4.24 and standard deviation of 0.695 were obtained. This indicated that to majority, there has been improvement in information exchange as a result of interpersonal mediated communication.

The other statement stated that interpersonal mediated communication has positively affected customer retention in Barclays bank. In response, 77.9% of the respondents agreed with the statement, 10.5% were not sure while 11.6% disagreed with the statement. There was a mean response of 3.95 and standard deviation of 0.904 which also indicated high agreement with the statement. The findings indicated that to a large extent, interpersonal mediated communication has positively affected customer retention in Barclays bank. The interview results also revealed that interpersonal mediated communication has promoted trust by customers in the banking services offered. Further findings showed that trust was reflected in the fact that more new people were joining the bank as customers after being mobilized by the old customers. The interview results also revealed that that interpersonal mediated communication has also promoted customer loyalty as more customers have increased their dependability on the bank's financial services. Satisfaction was also pointed out as one of the ways in which interpersonal mediated communication has promoted customer relations. It was through customers' satisfaction that they have continued to believe in the bank's services.

5. Conclusions

It is evident that interpersonal mediated communication has been appropriately used to attract and handle customers'

needs, a factor that has promoted customers relations in Barclays Bank. For Barclays bank to compete favourably in the banking industry, there is need to offer more than just convenience and low prices. If bank employees with the necessary communication skills easily interact with customers in a friendly and non-threatening way, they will be able to provide potential clients with something they may not be able to get elsewhere, increasing loyalty and customer retention all of which may promote customer relations.

5.1 Recommendations

There is need to integrate both written and oral interpersonal mediated communication such that different customers can have their different modes of communication of their choice hence being able to relate well with the bank. There is need for the Barclays bank to make a market research among its customers to establish which interpersonal mediated communication they prefer such that it can realign its communication channels to suit customers' interests hence promoting customers relations. There is need for the bank staff to always keep in contact with customers and in so doing regularly update them on the banking services.

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