ROLE OF THE INTERNET IN FACILITATING EFFECTIVE CORPORATE COMMUNICATION IN KENYA'S BANKING SECTOR: THE CASE OF EQUITY BANK

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DECLARATION

I, Louise Kemunto Araka, declare that this research is my original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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DEDICATION

This work is dedicated to my parents Dr. Jeremire and Lucille Mokeira Araka.
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CHAPTER ONE

BACKGROUND TO THE STUDY

1.1 Introduction

This chapter discusses the background of the problem, statement of the problem, research justification, objective of the study, research questions, significance of the study and the definition of key terms.

1.2 Background of the Problem

Communication is the way we weave together a personality, a family, a business, a nation and a world. It is in this context that we seek to explore the extent to which new technologies have transformed lives. New technology has transformed human communication universally to unleash unlimited potential.

The exploitation of the internet has amplified business aggressiveness, providing opportunities for banks, for instance, to compete on equal terms with other organizations. The expansion of the internet in the past decade has burst frontiers in communication. In addition, peripheral technological advances have combined to inject new challenges forcing organisations to re-engineer their manner of communicating with their stakeholders.

The use of internet in Kenya is on a steep rise. Applications such as e-commerce and VPNs are now being used by quite a good number of organizations. It is for this reason that many organizations have embraced the internet with the aim of complementing information flow. Information flow has assumed real time posture especially with the use of email and intranet. In most organizations staff can access the message instantaneously
throughout the region which enables apt standardization of management processes across
the organizations.

The evolution of the internet can be traced back to the 1960s when a group of
visionaries identified the great potential in computers sharing information on research
and development in scientific and military fields. It comprised of networking between
distinct stand-alone units, leading to the development of the packet switching model.

In Kenya, the internet first became available to a small group of technical enthusiasts
in 1993. The only means of accessing the internet then was through a service known as
Gopher which offered access to text based information. The entry of the fiber-optic cable
has made internet access easier and affordable, which is why most companies are
embracing the technology to grow their business.

1.2.1 A Profile of the Banking Industry in Kenya

Kenya's banking sector liberalized in 1995, is perhaps the most vibrant in the East
African region. As at December 2009 there were nearly 50 banking and non-bank
institutions, 15 microfinance institutions and over 100 foreign exchange bureaus. The
banking industry in Kenya is governed by, among others, the Companies Act, the
Banking Act, the Central Bank of Kenya Act and several other guidelines issued by the
Central Bank of Kenya (CBK) from time to time. The CBK, which falls under the
Ministry of Finance docket, is responsible for formulating and implementing monetary
policy and fostering the liquidity, solvency and proper functioning of the financial
system.
Over the past few years, the banking sector in Kenya has continued to grow in assets, deposits, profitability and products. The growth has been mainly underpinned by an industry-wide branch network expansion strategy both in Kenya and in the East African community region and Southern Sudan.

This expansion also includes automation of a large number of services and a move towards emphasis on the complex customer needs rather than traditional ‘off-the-shelf’ banking products. Competition in this sector has increased over the last few years resulting in greater innovativeness among the stakeholders.

1.2.2 Equity Bank – The Case Study

Founded as Equity Building Society (EBS) in October 1984, the bank concentrated in low-end mortgage financing. For many years, the building society operated as an informal family business with the board comprising of friends of the founders. Nearly two decades later, Equity transformed into a retail bank such that in 2006, the bank was serving more than one million customers - over 30 percent of all Kenyan bank accounts. The number of branches rapidly expanded from 13 in 2002 to 70 by 2008 compared to Kenya’s largest bank, Barclays Bank with a country-wide network of 58 branches.

Besides profit-making, Equity also maintained a passionate commitment to financially empowering Kenya’s poor. The bank had three types of branches: “ordinary” for their core individual and small business clients; “mobile” for rural customers living in areas where a permanent location was not economically viable; and “prestige” for the emerging affluent segment.

Due to a large volume of accounts, Equity’s banking halls often have jammed queues. Following increased customer complaints, the bank installed over 500 ATM
machines throughout the country, *Annual report and financial statements 2010* - more than any other bank - to enable automatic withdrawals and deposits. The bank has introduced alternative banking channels, i.e., internet, and mobile phone banking as well as agency banking. This channels offer the ability to check balances and transfer funds between accounts.

Equity Bank has over 6 million customers, *Annual report and financial statements 2010*. It has embraced the internet technology especially with the enhancement of their corporate communications field and internet access across its entire customer base. With the new technology enhanced by the internet, the growth Equity's customer base has increased phenomenally over the past six years.

### 1.3 Statement of the Problem

Equity Bank’s phenomenal expansion has enabled it to reach more than six million customers (over 57% of all Kenyan bank accounts (*Equity Bank Annual Report and Financial Statements 2010*). At the close of 2010, Equity Bank had 122 branches in Kenya, 40 branches in Uganda and 4 branches in Southern Sudan. As growth accelerated, maintenance of high quality customer service in the increasingly far-flung locations became more problematic. It was difficult for regional managers to physically and promptly travel to some of the locations.

In addition, although Kenya had made substantial technological progress, expanding the bank’s infrastructure, ensuring consistent electric power supply and reliable internet connectivity continued to pose even greater challenges, thus inhibiting effective communication. Thus, the older and more established banks began to make overtures to
some of Equity’s staff indicating that it would soon become difficult (for Equity staff) to hold on to the “star performance” in the fiercely competitive environment.

In the ensuing competitive environment, understanding customer’s needs and facilitating effective communication became a crucial factor for success. Several banks were compelled to migrate from product-centrism to customer-centred positions to survive. In the case of Equity, it is apparent that the installation of the Infosys core banking system, the Oracle database, and the HP hardware platform (and interconnection with other specialized software solutions including MEFPS, SWIFT, and RTGS) only focused on stabilisation of banking hall operations.

1.4 Research Objectives

1.4.1 Primary objective

The aim of this study is to find the role of internet in facilitating effective corporate communications at Equity Bank Ltd.

1.4.2 Research Objectives of the Study

To find out the extent to which the internet is utilised at Equity Bank and its role in facilitating effective corporate communication.

1.5 The Purpose of the Study

The purpose of this project is to investigate and describe the role of internet in facilitating the effective corporate communications in Equity Bank.
1.6 Research Questions

1.6.1 How can the progressive development of corporate communications at Equity Bank be defined?

1.6.2 To what extent is the internet utilised and what is its role in facilitating effective corporate communications at Equity Bank?

1.6.3 What is the relevance of the two-way symmetrical model and its role in facilitating effective corporate communications at Equity Bank?
CHAPTER TWO

LITERATURE REVIEW

2.1 Definition of terms

Various terms are used when defining the process of managing an organization’s communication processes. The most frequently used are corporate communication management and public relations management.

2.1.1 Communication

Communication is seen as the process of transferring messages between sender and receiver, and not merely providing information to unspecified target audiences (Gibson & Hodgetts, 1991:5). According to Weaver (in Cutlip et al., 1994:228), the question to be studied in a communication system has to do with:

"... the amount of information, the capacity of the communication channel, the coding process that may be used to change a message into a signal and the effects of noise".

Corporate communication is broadly defined as the process of a practice, the techniques, strategies, structures and tactics of the field based on a social philosophy of management which forms the foundation of its modern concept. In essence it is the corporation’s voice and images it projects of itself on the world stage populated by its various audiences or constituencies.

On the other hand, public relations is defined as "... the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organisation with the public interest, and plans and executes a program of action to earn public understanding and acceptance" (Cutlip, Centre &
Broom, 1994, p.228). Harlow (in Seitel, 1995, p.6) says it is "... a distinctive management function which helps establish mutual lines of communications, understanding, acceptance, and cooperation between an organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion."

Thus, we can view public relations as a strategic management function attending to the relationships between the Bank and its stakeholders. It evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and plans and executes communication programmes. It also facilitates the adaptation of the organization to its environment and assists the organization to both formulate and achieve socially acceptable communication goals.

According to Steyn (2002, p.1-2 and 2003, p.3-4), the terms 'public relations' and 'corporate communication' can be used interchangeably, a stance this study has embraced.

2.1.2 The Four Corporate Communication Models

James Grunig identified four corporate communication models (Dozier, Grunig, & Grunig, 1995, p.13; Grunig & Grunig, 1989, p.30; Grunig & Hunt, 1984, p.21-43), namely the press agentry model; the public information model; the two-way asymmetric model; and the two-way symmetrical model. These four models differ in purpose - the function they provide for the organization that sponsors them (Grunig & Hunt, 1984, p.21). According to Grunig (in Botan & Hazleton, 1989, p.29), the models represent the values, goals, and behaviors held or used by the organization. The four models can also be regarded as four different world-views for corporate communication in the
organization and depict four historical eras or stages in the evolution of corporate communication (public relations).

The Press agentry model describes the purpose of corporate communication as being publicity, trying to gain coverage from the mass media in almost any way possible (Grunig & Hunt, 1984, p.21; Rotan & Hazelton, 1989, p.29). It serves a propaganda function and spreads the faith of the organization involved, often through incomplete, distorted, or half-true information. In utilizing the press agentry model, an organization would decide which information should be posted on its website and when it should be done. No regard is given to the needs of the stakeholders. There is also no opportunity for the stakeholder to provide feedback to the organization.

The public information model is seen as the dissemination of information (not necessarily with a persuasive intent) through the mass and controlled media such as newsletters, brochures, direct mail or the Internet (Grunig & Hunt, 1984, p.21). Negative information is rarely volunteered (Botan & Hazelton, 1989, p.29). The organization is usually the sender of the information and their stakeholders the receivers (Ihator, 2001).

Organizations can control and monopolize the Internet as a channel, and can structure their messages according to their own needs (Ihator, 2001). Communication in this model is seen as the dissemination of information - not necessarily with a persuasive intent - through the Internet (Grunig & Hunt, 1984, p.21). The technician would perform the role of journalist in the organization by looking for content for the organization's electronic newsletters, website etc.
The two-way asymmetrical model involves two-way communication where information flows between the organization and its stakeholders but is imbalanced in favor of the organization. Practitioners of this model function like the press agent or publicist, but use scientific persuasion (Grunig & Hunt, 1984, p.22). This model is not confined to the dissemination of information and research plays a key role. The two-way symmetrical model consists more of dialogue than monologue. It's a classic win-win situation between the organization and its stakeholders. Communication efforts are described in terms of its research base as well as the use of communication in improving understanding with key stakeholders.

Corporate communication in this model can be viewed as a deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its stakeholders which facilitates long-term relationships. Corporate communication should thus provide mediation for the bank - to help management and publics negotiate conflict. In this process, it is the purpose of corporate communication to change the attitudes and behavior of management as much as it is to change the attitudes and behaviors of stakeholders (Dozier et al., 1995, p.100). Excellent corporate communication programmes use a two-way symmetrical model of communication.

2.2 The Internet - An Overview of Its Concepts, Terminology and Application

The advent of the Internet has not only changed how Equity Bank conducts its business, but it has also impacted on the social fabric of the global community. Its value - and shortcomings - is therefore witnessed globally. The Internet is seen as a threat to some and an opportunity of a lifetime to others. It is not merely a passing fad, but a hard fact of business life (Wladawsky-Berger, 1997, p.19).
The Internet originated as a two-way symmetrical communication medium, used by researchers on a global basis as a communication forum. It however reverted to a one-way communication model when it became commercialized where organizations used it to gain publicity or to influence stakeholders. Its interactive nature, however, is allowing it to again be utilized as a two-way communication medium.

**Figure 2.1** The role of the Internet as a medium in the communication Process

![Symbol system diagram]

Source: Own application, adapted from Lubbe & Puth (1994:61)

### 2.3 Information Theory

According to Davenport (1997, p.5), there are three levels of ‘information’ that exist in Information Science and they become more complex with each level. **Data** is defined as simple observations of the state of the world. It is easily structured; easily captured on machines; often quantified; and is easily transferred. **Information** is data endowed with relevance and purpose. It requires a unit of analysis and needs consensus on meaning and necessitates human mediation. **Knowledge** is valuable information from the human mind that includes reflection, synthesis and context. It is hard to capture; difficult to capture on machines; often tacit; and hard to transfer.
There is also a parallel between information theory and the process of developing corporate communication strategy. The purpose of corporate communication strategy is to realize corporate goals through the organization's relationships with its stakeholders. It is not enough to simply provide information through media such as websites to the organization's stakeholders. The term 'information' is also used in the world of information technology. It is important to note that information in this context refers to the handling of information, whether the information is numbers, pictures, sounds or other forms as well as a mixture of these forms. The Information Technology department is responsible for the hardware, software and network support.

The internet in context - Frost & Strauss (1998, p.11) describe the Internet ('Net') as a vast global network of computers. It is a network inter-linking other networks (De Reger, 1998, p.84). It can be seen as a type of global information infrastructure (Peterson, Balasubramanian & Bronnenberg, 1997, p.331).

Origin of the Internet - The Internet was developed by the American Defense Department in the 1960's as part of a government project called ARPANET (Frost & Strauss, 1998, p.11; Settles, 1995, p.22). This project ensured a safe way of communicating in case of a nuclear attack. The Internet was not designed to be controlled by any organization (Anon., 1997, p.29). Its disparate nature and lack of central control and infrastructure is deliberate and was an intended by-product of the Cold War to preserve communication networks (Marken, 1996, p.13). The Internet was used primarily by the government as well as by researchers in industry and education (Frost & Strauss, 1998, p.11). It was used to access distant supercomputers and to send electronic mail.
The Internet has grown because it is able to link together computer systems of every different makes and designs.

Application of the internet in the theoretical framework - The advent of the Internet has changed the definition, meaning, understanding and practice of corporate communication management, because cyberspace is not physical, geometric or geographic. Time and space can no longer limit the amount of information that the organization want to communicate or limit the size of the stakeholder base that the organization wants to target. (Ihator, 2001b).

Effective communication remains a critical element of an organization's success (Buhler, 1997:23), although the communication process itself is changing because of technology, Interactive communication provides a high degree of flexibility, which allows the stakeholder to have a higher degree of control over the technology as well as the communication process (Rogers & Allbritton, 1995, p.177). In traditional organizations communication was unidirectional in nature (Ihator, 2001a, p.200). Organizations were usually the senders of information and their stakeholders the receivers, and they could therefore control the communication channels or mediums. Organizations could structure their messages in conformity with organizational goals, and could make these messages consistent across multiple channels (Ihator, 2001a, p.200).

The source or sender in an electronic environment - The source of a message is the central person or organization responsible for the communication act (Seitel, 1995, p.101). Where electronic communication is concerned, depending on the electronic tool that is being used, there can be various sources. If a website is, for example, being used
as a medium the source can be the web master, the communications department at Equity Bank will be the responsible as the source of the information. It can therefore be deduced that the origin (or in other words the department) of the source will have an impact on the receivers' initial acceptance of the message.

The encoder - In the electronic world, communication can be controlled and messages can be designed without these obvious language barriers that other mediums might present. The nature of the Internet allows for global access to an organization’s website.

All the organization’s electronic communication mediums - website, customer service, e-mail correspondence etc. - should reflect the value the organization places on its stakeholders and the language that is primary to them.

The Internet also has its own style of communication. One example of this is the Internet Underwear Theory which relates to the informality of communication on the Internet (Vassos, 1996, p.14). It suggests that a formal, stuffy approach to communication will not be as well received as a more casual, breezy approach. Furthermore, the casual environment of the Internet has an impact on how stakeholders perceive messages that reach them. In order to be more effective, corporate communication needs to be less formal and more conversational in style. The focus should be on readability as opposed to rigidity. According to Seitel (1995, p.103), there are three theories that explain what the message constitutes, namely the content is the message, the medium is the message or the person is the message.

The Internet, as a communication medium, allows for communication to be more informal and in many instances, communication might be more effective than with a
traditional medium. This form of communication is not necessarily easier, but will require more careful planning in the development of the messages that will be communicated. The downside of this new-age technology rests in information overload, waste of time and resources, lower productivity and the ease with which gross misinformation can be spread in cyberspace.

The decoder - In the electronic world, factors - such as language, perception, stereotypes, symbols, peer group pressures and the influence of the media - which influence the translated meaning of the message also, have a significant influence (Seitel, 1995, p.105). Another dimension, namely the openness of the Internet, adds to the complexity. It is for example virtually impossible to control who will visit an organization's website, given the fact that anyone in the world can have access to it.

The receiver - Communication via electronic mediums also implies, similar to more traditional mediums, that more than one person is involved in the communication process. The role of the receiver takes on a different guise in the electronic communication environment, because the receiver now has much more control over the communication process (Herrington, 1999, p.24). Recipients are not merely passive receivers of the message but actively take part in the process, by for example choosing not to read e-mail or by choosing to read only a certain page on a website. The lack of non-verbal communication as well as limited opportunities for feedback can create an uncertain communication environment. It is therefore critical to ensure that the desired effect of the message is achieved.

The medium or channel - New technologies for delivering messages (mediums such as websites, e-mail etc) have challenged traditional views on communication by
creating new and innovative ways of conveying, distributing, displaying and storing messages. The Internet has grown into an extremely powerful communication medium which corporate communication professionals cannot ignore. The effectiveness of the communication process is impacted directly by the choice of (electronic) medium. Cutlip, Centre & Broom (in Wright, 2001, p. 6) stress the importance of matching the appropriate media with suitable messages. These decisions help shape the effectiveness, efficiency and ambience of an organization (Reinsch & Beswick, 1990, p. 801).

A danger of using the Internet as a medium is its technological nature. After creating an initial repository of information and a set of internal and external links, most web developers start implementing the leading edge Internet technologies (Vassos, 1996:93). The Internet, as a medium, must also be integrated with other mediums used by communication managers. A website can have a distinct personality, which may be friendly, avant-garde, conservative, unconventional, leading edge or fun. This image which the organization's website will project must be part of the business identity - the sum of the organization's unique business characteristics (Levinson & Rubin, 1996, p. 9).

Ease of navigation. It should be easy for the stakeholders to be able to navigate to a relevant message. This can be done using various techniques such as ensuring that the Equity website home page is a map of the organization's entire site; ensuring that the desired information is within two and four mouse clicks from the point of entry; providing a navigation bar, which allows stakeholders to jump to other useful content; ensuring that stakeholders are not forced to follow seemingly 'random' links to
discover what information a website contains and where links will lead; and ensuring a flexibility in design of the medium.

*Speed of the medium and the message* - Speed is a prerequisite for a perfect website. The speed of the server, the connection and amount of data being sent is important in determining the nature of the Internet. This determines the speed which stakeholders expect a website to operate at. *Creativity of the message* - Websites should always be interesting and informative, and contain information of value to its stakeholders (Kent & Taylor, 1998, p.330). The organization should strive to provide a three-dimensional experience, to offer visitors unique experiences.

*Interactivity of the communication exchange* - If a medium such as a website is being used, it can be concluded that the higher the degree of interactivity, the greater the response (Myer, 1996:74). Interactive tools can include forums, question and answer formats, bulletin boards, e-mail and experts - such as featuring the company president or CFO on the website once a month. Two-way communication is needed to ensure that a relationship is created between the organization and its stakeholders and that the corporate communication goals are met.

*Timeliness of the message* - Visitors to an organization's website will return if the website has something of on-going value to offer them (Kent & Taylor, 199, p.327). Sites that are regularly updated appear credible and suggest that an organization is responsible. The right message must therefore reach the stakeholder at the right time. Tools for ensuring repeat visits can include formats for frequently asked questions, easily downloadable or mailed information, technical or specialized information that can be
requested by regular mail or electronic mail, and referral services or links to local agencies or information providers (Kent & Taylor, 1998, p.329).

2.4 The Internet and The Four Corporate Communication Models

When the Internet was first introduced, it functioned as a two-way symmetrical model of communication. Researchers were able to communicate almost instantaneously with their counterparts all over the world (Frost & Strauss, 1998, p.11; Pieterse, 1995, p.10). The commercialization of the Internet caused it to convert to a one-way communication model. Information was either used and in many cases is still used - to manipulate stakeholders (press agentry model), to solicit media coverage, to provide stakeholders with an electronic brochure or to provide stakeholders with as much information as possible (public information model).

However, the Internet is currently shifting from a one-way communication model to a two-way symmetrical model of communication (Kiani, 1998). Equity Bank is utilizing its interactivity and real-time communication capabilities. Relationships are established with stakeholders, and not only is feedback solicited but communication is being managed between the bank and its stakeholders. The application of the four corporate communication models - press agentry, public information, two-way asymmetric, and two-way symmetrical models, as described in earlier, is discussed next in the context of electronic communication.

2.4.1 Press Agentry Model for Corporate Communication

This model describes corporate communication as being a publicity function, trying to gain coverage from the mass media in any possible way (Botan & Hazelton, 1989, p.29; Grunig & Hunt, 1984, p.21). In utilizing the press agentry model, the bank will
decide which information should be posted on its website and when this should be done. No regard is given to the needs of the stakeholders. There is also no opportunity for stakeholders to provide feedback to the organization, through methods such as a feedback button. The bank would use its website to advertise, gain publicity through news and events links and would not put any damaging information on its website in times of a crisis.

2.4.2 Public Information Model for Corporate Communication

The Internet can be a very effective tool for disseminating information (Kent & Taylor, 1998). The role of communication managers - in this model - is primarily seen as that of gatherer and disseminator of information through the Internet (Kent & Taylor, 1998; Kiani, 1998).

The bank is usually the sender of the information and their stakeholders the receivers (入场, 2001b). Organizations can control and monopolize the Internet as a channel, and can structure their messages according to their own needs (入场, 2001b). Communication in this model is seen as the dissemination of information - not necessarily with a persuasive intent - through the Internet (Grunig & Hunt, 1984, p.21).

The technician would perform the role of journalist in the organization by looking for content for the organization's electronic newsletters, website etc.

2.4.3 Two-way Asymmetric Model for Corporate Communication

Here, information flows between the organization and its stakeholders but it is imbalanced in favor of the organization. The very nature of the Internet makes the use of this model problematic. The bank cannot force their stakeholders to read all the information on their website or even to read it at all. The stakeholder is therefore in
command of the electronic communication process (Graham, 1997, p. 28).

Equity Bank can use the Internet for educating, informing and persuading the organization's diverse stakeholder groups (Marken, 1995; White & Raman, 1999). Electronic communication can be carefully planned to achieve maximum change in attitudes and behavior (Grunig & Hunt, 1984: 23) and feedback can be solicited.

2.4.4 Two-way Symmetrical Model for Corporate Communication

The Internet has evolved from the traditional vertical and horizontal corporate communication paradigms (Ihator, 2001a, p. 199). It therefore represents a paradigmatic shift in communication and corporate communication, creating the possibility of fully two-way communication between the bank and stakeholders (Kiani, 1998; Wright, 2001, p. 5).

Electronic communication mediums can transcend organizational structure and hierarchy, increase lateral or horizontal communication (Rogers & Allbritton, 1995, p. 187; Solheim & Henning, 1998, p. 158) and circumnavigate gatekeepers. The Internet has also made the position between the bank and its stakeholders more equal (Naudé & Froneman, 2001, p. 1).
CHAPTER THREE
METHODOLOGY

3.0 Introduction

This research describes and explores the role of the internet in enhancing effective corporate communications. Data collection was done through detailed interviews. The research is explanatory since the researcher attempted to explain the relationship between corporate communication and internet adoption. It is also somewhat exploratory in nature since we are exploring the relationship between corporate communication and the role of the internet based on the four theories of corporate communication to develop a better understanding about the research area.

3.1 Research Design

This study employed a case study design. A case study was found to be appropriate in this research since it entailed a detailed and intensive analysis of a single case. (Rwegoshora, 2006; Bryman, 2004; Kothari, 2004; variously define research design as a conceptual structure within which research is conducted. Accordingly, a research design is a blueprint of what the study intends to interrogate from research questions to data analysis. The nature of this study sought a variety of information and in order to provide a full analysis of the number of events and conditions at by Equity Bank the study analysed the findings both quantitatively and qualitatively.

The problem posed in this research was best studied using the case study method. According to Kothari (2004), a case study emphasizes depth rather than breadth, and the study entailed a descriptive research design. This explained the findings on the role of the internet in enhancing effective corporate communications as adopted by Equity Bank.
Boyd, Westfall & Stasch (1990) and Donald and Pamela (2003), show that a descriptive study aims at determining the what, when and how of a phenomenon which is the concern of this study. It thus allowed for an in depth explanation of sustainable competitive advantage as adopted by Equity Bank and challenges faced in their sustainability.

3.2 Area of Study

Founded as Equity Building Society (EBS) in October 1984, the bank concentrated in low-end mortgage financing. Nearly two decades later, Equity transformed into a retail bank such that in 2006, the bank was serving more than one million customers - over 30 percent of all Kenyan bank accounts. The number of branches rapidly expanded from 13 in 2002 to 70 by 2008 compared to Kenya's largest bank, Barclays Bank with a countrywide network of 58 branches.

The bank had three types of branches: "ordinary" for their core individual and small business clients; "mobile" for rural customers living in areas where a permanent location was not economically viable; and "prestige" for the emerging affluent segment.

Due to a large volume of accounts, Equity's banking halls often have jammed queues. This led the bank to install over 500 ATM machines throughout the country - more than any other bank - to enable automatic withdrawals and deposits. Equity Bank has over 6 million customers.

The researcher chose the bank since it is has the largest customer-base and thus has a large amount of records and information which pose a great challenge for effective management.
3.3 Population

A population is a group of individuals, persons, objects or items from which samples are taken for measurement. The population of this study was selectively drawn from Equity Bank's staff of 6000 employees. However, the selected population involved in this study (i.e., 153 personnel) was purposively extracted directly from the three relevant departments (i.e., senior management; information & communications technology; and, marketing communication department).

3.4 Sampling Procedures and the Sample Size

The study used both purposive and simple random sampling which according to Mugenda & Mugenda (1999) includes subjects selected on the basis of specific characteristics or qualities and precludes those who fail to meet these criteria. Thus, individuals who were not engaged in computer-related activities and were considered to be in no position to access or provide information directly related to the role of internet in facilitating effective corporate communications at Equity Bank Ltd were eliminated.

These comprised of the seven senior management members (i.e., the company secretary and director of corporate strategy, director of projects and IT, director of human resource and research as well as other senior managers namely; general manager communications, general manager corporate and institutional banking and head of customer service), seven members of the information and communication technology department (i.e., 2 ICT officers, 2 network officers, database administrator, 2 network supervisors), and a further six from the marketing communications department (i.e., Head of department communications, communications manager, information manager, content assistant manager, communications officers.).
The researcher purposively sampled only the three relevant departments (i.e., senior management; information & communications technology; and marketing communication department). All these respondents categories provided information on:

1. How the progressive development of corporate communications at Equity Bank be defined.

2. The extent to which the internet utilised and its role in facilitating effective corporate communications at Equity Bank;

3. The relevance of the two-way symmetrical model and its role in facilitating effective corporate communications at Equity Bank.

3.5 Research Instruments

The researcher used questionnaires, personal interviews, documents review and observation.

3.5.1 Questionnaires

According to (Rwegoshora, 2006; Bryman, 2004; Kothari, 2004; Mugenda & Mugenda (1999), questionnaires are appropriate instruments widely utilized by researchers to obtain facts about current conditions, practices and also to make inquiries concerning attitudes and opinions. Furthermore, they are used due to their ability to collect as much information as possible within a short spell (Kothari, 2004). This study employed both personal interviews and one questionnaire as shown below.

A Likert-type scale questionnaire was used (Davis, 2000:204-05). Respondents were asked to indicate their degrees of agreement or disagreement with a variety of statements. This type of measurements allows the researcher to determine how far apart two or more objects are with respect to the attribute and consequently to compare the
difference between the numbers assigned. Each object is, however, evaluated independently of the other objects being investigated.

This method is frequently called the method of summated ratings, it is widely accepted and adopted technique in marketing and corporate communication research. Section A of the questionnaire captured the demographic data while Section B sought to determine how Equity Bank's presence on the internet including its website is utilised on a scale of "not accurate at all", "barely accurate" and "very accurate".

3.6 Data Collection and Analysis

A cross-sectional study was conducted which represented a moment in time over a seven-month period from February 2011 to September 2011. An internet-based survey was partly used in this study. It seemed fitting to the researcher that a computerized method of data collection be used in the study of the internet.

The type of data collected was qualitative in nature and the methods used involved the collection of both primary and secondary data. Emphasis, however, was on the primary data, which was collected through personal interviews using open ended questions covering issues of role of internet in the bank and the corporate communications approach. Cooper and Emory (1995) state that the greatest value of personal interviews lies in the detail of information can be secured. The secondary data was collected from existing documents as well as other records from the bank. According to Yin (1994), data collection for case studies can be relied on six important sources, i.e., documentation, archival records, interviews, direct observation, participant observation and physical artefacts.
Data analysis is a practice in which raw data is ordered and organized so that useful information can be extracted from it. The data collected would be analyzed using content analysis technique because the study solicits for data that is qualitative in nature, and since the case study will be conducted in a single organization where the interviewees will be drawn from. According to Mugenda & Mugenda (1999) content analysis is the systematic qualitative description of the composition of objects or materials of the study. Content analysis will allow the researcher to understand the underlying context.

After all the interviews were conducted and questionnaire responses received, the data collected from both primary and secondary sources was screened and analyzed qualitatively, and descriptively.

3.7 Reliability and Validity

Any data would be worthless if it is less than reliable or valid. Efforts were made to ensure that data for this study was as reliable as possible by designing the research instruments as per recommended principles. A careful analysis of relevant literature was made to examine instruments that have been used in similar studies (Wimmer & Dominick (2000, pp. 93-98) and Comry and Lee (1992). The instruments were given to a blind peer reviewer for an objective evaluation after which the comments were considered and relevant adjustments made before embarking on field research.
CHAPTER FOUR

PRESENTATION OF FINDINGS AND DATA ANALYSIS

4.1 Introduction

The data presented shows the research findings and the interpretation of the results. The research findings are discussed based on each of the sections of the questionnaire.

Respondents consisted of the seven senior management staff, seven from the Information and communication technology department and six from the marketing department amounting to 16 out of the initial 20 who had been targeted, an impressive response rate of 80%. One of the challenges of this self-administered questionnaire is that it took 3 weeks to receive the responses. This was explained variously as unavailable but willing; unavailable and unwilling (outright refusals); and unavailable but unwilling. All four non-response reactions were experienced in this study.
4.2 Findings

**TABLE 4.1: Usage of The Bank’s Internet Including The Website to Realize Corporate Communication Goals.**

<table>
<thead>
<tr>
<th>Usage of The Bank’s Internet Facility</th>
<th>1 - Not accurate at all</th>
<th>2 - Barely accurate</th>
<th>3 - Very accurate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responses</strong></td>
<td><strong>No.</strong></td>
<td><strong>%</strong></td>
<td><strong>No.</strong></td>
</tr>
<tr>
<td>1. Providing important information about the bank to stakeholders (Contact, organizational vision, mission, strategic objectives, etc.)</td>
<td>5</td>
<td>31.3</td>
<td>8</td>
</tr>
<tr>
<td>2. Making products or services available electronically (E-commerce)</td>
<td>10</td>
<td>63.2</td>
<td>2</td>
</tr>
<tr>
<td>3. Gaining feedback on important issues from stakeholders</td>
<td>8</td>
<td>50.0</td>
<td>6</td>
</tr>
<tr>
<td>4. Providing an opportunity for interaction between management and employees</td>
<td>5</td>
<td>31.3</td>
<td>6</td>
</tr>
<tr>
<td>5. Improving customer service</td>
<td>6</td>
<td>37.5</td>
<td>5</td>
</tr>
<tr>
<td>6. Providing an opportunity for interaction between the bank and its external stakeholders (e.g., media, investors, community, stockholders)</td>
<td>10</td>
<td>63.2</td>
<td>4</td>
</tr>
<tr>
<td>7. Generating new business for the bank</td>
<td>11</td>
<td>68.8</td>
<td>3</td>
</tr>
<tr>
<td>8. Using customer feedback to improve service</td>
<td>5</td>
<td>31.3</td>
<td>6</td>
</tr>
<tr>
<td>9. Improving corporate image in the marketplace</td>
<td>5</td>
<td>31.3</td>
<td>10</td>
</tr>
<tr>
<td>10. Gaining information to determine communication barriers</td>
<td>10</td>
<td>62.5</td>
<td>2</td>
</tr>
<tr>
<td>11. Launching new products or services</td>
<td>14</td>
<td>87.5</td>
<td>0</td>
</tr>
<tr>
<td>12. Managing a crisis in the organization</td>
<td>14</td>
<td>87.5</td>
<td>2</td>
</tr>
<tr>
<td>13. Managing investor relations (e.g., to make financial information available to relevant financial stakeholders)</td>
<td>2</td>
<td>12.5</td>
<td>1</td>
</tr>
<tr>
<td>14. Increasing sales</td>
<td>2</td>
<td>12.5</td>
<td>6</td>
</tr>
<tr>
<td>15. Establishing the presence of the bank on the internet</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>
In response to the statement as to whether the bank’s internet facility was used for providing important information about the bank to stakeholders (i.e., contact information, organizational vision, mission, strategic objective, etc.), eight subjects agreed that this was “barely accurate”, five said “not accurate at all” while the other three said that this was “very accurate”. As to whether the site was effectively used for making products or services available electronically (E-commerce), 10 subjects agreed that this was “not accurate at all”, four indicated “very accurate” while the other two said that this was “barely accurate”.

As to whether the respondents felt that the site was primarily used for receiving feedback on important issues from stakeholders, eight subjects agreed that this was “barely accurate”, five said “not accurate at all” while the other three said that this was “very accurate”. On whether the internet is effectively utilised to provide an opportunity for interaction between management and employees, six said that this was “barely accurate” while the five respondents each indicated that this was “not accurate at all” and “very accurate” respectively.

On whether they felt that the website was used to improve customer service, six said that this was “not accurate all” while the remaining five each indicated that this was either “not accurate at all” or “barely accurate” respectively. In regard to whether internet usage at the bank mainly provided an opportunity for interaction between the bank and its external stakeholders (e.g. the media, investors, community, stockholders), 10 subjects agreed that this was “not accurate at all”, four indicated “barely accurate” while the other two said that this was “very accurate”.

As to whether the respondents felt the bank’s website was used to generate new...
business 11 said this was "not accurate at all", three indicated "barely accurate" while two said that this was "very accurate". In response to whether the bank used customer feedback to improve service delivery, six indicated "barely accurate" "not accurate at all", three indicated while two said that this was "very accurate" while the five respondents each indicated that this was "not accurate at all" and "very accurate" respectively.

On whether the internet was utilised by the bank to improving corporate image in the marketplace, 10 indicated this was "barely accurate" five said "not accurate at all", three indicated while one said that this was "very accurate". Similarly 10 subjects agreed that it was "not accurate at all" that the bank had used the website to gain information to determine communication barriers. Four indicated "very accurate" while the other two said that this was "barely accurate".

On the launching of new products or services, 14 respondents indicated that this was "not accurate at all" while the remaining two felt this was "very accurate". In managing crises, 14 said this was "not accurate at all" as the other two indicated that this was "barely accurate" while in managing investor relations (e.g. to make financial information available to relevant financial stakeholders), 13 felt that this was "very accurate", two indicated that this was "not accurate at all" and one said "barely accurate". On whether the internet was seen as having increased sales, eight respondents felt that this was "very accurate", six saw this as "barely accurate" while two felt it was "not accurate at all". On the effectiveness of establishing substantial presence of the bank on the internet website, 14 saw this as "very accurate", two thought it was "barely accurate"
4.3 Discussions

4.3.1 Discussion of Findings

It emerged that there is inadequacy of information on Equity Bank website. The respondents believed that the main reason for deploying the internet would be to increase efficiency in the bank. Over the years since the bank went electronic there has been a tremendous increase in the number of customers. The internet helped connect the bank network thus enabled the customers access their accounts from anywhere in the country. The internet deployment also reduced the turnaround time for most processes. Issues such as account opening that initially took two days were reduced to an average of five minutes.

According to eleven out of 16 respondents, the internet has "barely" or "very accurately" enhanced internal and external communication in the bank. Although employees are now able to interact through emails and receive latest information from the intranet. There is also the nature of group emails where everyone is categorized according to department and groups. Information is sent to the groups depending on the information being communicated. There is also the new technology of internet connectivity phones which have been deployed in the bank network whereby all staff can communicate to each other by dialling certain codes for different branches and departments. However, 68.8% felt considered this aspect either "barely accurate" or "not accurate at all", suggesting lack of consensus.

External communication is enhanced by providing an avenue for feedback from customers through writing emails to the customer care department or by calling the contact centre which has also been connected by the internet activated phones. The
internet has not been fully utilized in approaching new customer segments effectively. Some of the facilities offered are only providing information through the bank's website to customers on the products offered, financial updates and current positions of the bank. The bank also offers internet banking whereby a client can access their accounts online. The bank has attempted to introduce a new internet communication through interactive social networks including YouTube through short videos. This then provides an opportunity for instantaneous feedback by the customers. Notwithstanding, 63.2% of the respondents considered the statement on provision of website information "not accurate at all". Customer service is an important goal in fostering online corporate communication. However, only 31.3% of the respondents indicated that using feedback is an important goal because they believed that feedback plays an important part in the communication process. An overwhelming 68.8% felt that using customer feedback to improve the bank's operations was either "barely accurate" or "not accurate at all". This suggests that there exists a contradiction in what the staff members believe in and the actual relationship between the bank (sender) and the customer (receiver) in the communication process at the bank.

A further substantial number of respondents (63.2%) felt that the internet is not effectively playing its expected role in providing information to their stakeholders. The main challenge is in that the information provided on the bank's websites was not adequate. It was apparent that many respondents only believed that provision of communication was the only crucial function. They did not consider creation and fostering a two-way symmetrical communication between the clients and the management as of any significance. This study suggests that we can equalize the
relationship between the stakeholders and the organization by improving two-way communication through internet applications. The nature of this relationship can be either a two-way asymmetrical or two-way symmetrical.

87.5% of the respondents felt that the bank had not effectively exploited the internet in launching new products. The internet swiftly enhances an organization's product strategy by generating brand recognition, developing brand image and building brand equity. The bank can use the internet to discover the product and service needs of their customers, analyze competitors and social feedback, conduct research for new products or services, run concept-testing surveys, launch new products, generate publicity for new products or services and use customer feedback to impact product modifications. This is something that has not yet been realized by the bank as stated in the findings.

Although 87.5% of the respondents indicated that the bank's website was effective in establishing substantial presence of the bank, it emerged that the graphic and editorial content on the website is wanting. Many managers in the communication department have limited understanding of the danger in stimulating awareness on the internet based on lacklustre graphics. The internet has real-time capacity to level the playing field between large and small organizations, and activist stakeholders can use the internet to affect other stakeholders' perceptions of the bank. Several websites are currently on the internet merely for establishing a mere presence without providing the organisations with a competitive-edge advantage. Many organizations are re-evaluating their internet presence to provide a website which is appropriate for the organization's business (Taylor et al., 2001).
4.3.2 Discussion of the Four Corporate Communication Models

The frequency procedure was used to determine the preference of managers as it relates to the four corporate communication models. The discussion below shows how the four corporate communication models in this study.

Garining publicity for the bank - Most respondents (87.5%) indicated that gaining coverage for the bank through its website is an important goal. The item forms part of the press agentry model. This model describes corporate communication as being a publicity function, trying to gain coverage from the mass media in any possible way (Grunig & Hunt, 1984). Press agentry is a one-way corporate communication model where information is given but the bank does not seek information through research or informal methods. It is apparent that this is not the most appropriate way for the bank to establish a relationship with its stakeholders. It is also important to recognise that the internet, by its very nature does not favour one-way or manipulative communication models.

Measuring the amount of hits which are registered on the bank's website - Respondents believed that measuring hits is an important objective in the bank. Monitoring a website can indicate the user's excitement, fatigue, frustration and eagerness in addition to subjective opinions.

Disseminating information about the bank and products/services to the stakeholders - The internet can be used in disseminating information to the public. The use of the public information model comes in effectively here for helping the bank in providing information to the public. The role of the communication manager in this model is primarily seen as that of gatherer and disseminator of information through the internet. The stakeholder in this case is the receiver of the information.
Creating dialogue (two-way interactive communication) between the bank, its employees and its stakeholders - The internet originated as a two way communication model. The theory in chapter 2 showed that a shift is occurring in internet communication from one-way communication to two-way communication. Special attention was also paid to dialogic communication. To create this type of dialogic communication, the corporate communication manager should merely provide a feedback button on an organization's website but also enhance social feedback by establishing online communities, fostering relationships with their customers and staff and managing the issues proactively. A good way of doing this is by establishing a bank's facebook page, gather following on twitter and open blogs where customers are free to provide their feedback. The communication manager should also ensure that there is someone on standby to provide immediate feedback on the issues raised.

Soliciting feedback from the stakeholders in order to change the behavior of the bank - This is a true reflection of a two-way symmetrical communication model. The internet can provide valuable feedback, not only on online activities, but of traditional activities as well. It is a positive indication that most respondents are realizing the value that the two-way symmetrical communication can have. The question has, however, to be asked why this item is not rated the highest by the most of the respondents.

It employed the Press agency model of corporate communication by offering publicity and trying to gain coverage from the mass media in almost any way possible. This model serves a propaganda function and spreads the faith of the organization involved, often through incomplete, distorted, or half-true information (Grunig & Hunt, 1984).

35
As information models evolved, the bank realized its need to classify information according to their customer segments. The bank realized that the information communicated to all was not suitable for the different customer segments in the bank thus they started designing messages that targeted their various customers. For instance, there are the young college/university going students who were in touch with technology, there are also the women who belonged in women groups, small and medium enterprise business people who also needed a different type of communication.

In an effort to offer interactive communication, the bank has started engaging with the social media by introducing Equity TV through YouTube that offers information to customers through short video clips and provides an avenue for feedback. The use of social media has been because of the paradigm shift in communication media creating the possibility of a fully two way interactive communication. Here, information flows between the organization and its stakeholders but it is imbalanced in favour of the organisation.

The very nature of the Internet makes the use of the two way model problematic. The bank cannot force their stakeholders to read all the information on their website or even to watch all the YouTube clips. The stakeholder is therefore in command of the electronic communication process (Graham, 1997, p.28). Equity Bank can therefore use the Internet for educating, informing and persuading the bank’s diverse stakeholder groups (Marken, 1995; White & Raman, 1999). Electronic communication can be carefully planned to achieve maximum change in attitudes and behavior (Grunig & Hunt, 1984, p.23) and feedback can be solicited.
4.3.3 To what extent is the internet utilised at Equity Bank and what is its role in facilitating effective corporate communications?

The advent of the information era and the creation of the internet and its application, have a direct impact of how organizations conduct their corporate communication. The influence of the internet is so far reaching that communication managers cannot ignore its use as a communication medium. By understanding how the internet developed, organizations can incorporate it into their communication strategies. It is specifically the internet’s origination as a communication medium that will impact on business functions as well as the corporate communications strategy.

Managers need to realise what the capabilities of this important medium are that they are considering using, because of the impact that these characteristics will have on the communication process. The internet’s full potential can only be realised if it is incorporated into the corporate strategies especially in communication. If the internet is viewed in isolation, then it will remain a mass of electronic devices. Equity Bank initially focused only on providing information and not giving space for feedback but now with the introduction of Equity media it has enabled access of Equity Bank videos in YouTube. It is therefore not enough for an organization to provide data or information to their stakeholders. Knowledge and understanding must also be cultivated in the communication exchange on the internet. Knowledge can only be achieved if the bank participates in two way interactive relationships with their stakeholders, instead of merely providing information.

It can also be concluded that although information technology managers play an important role in information handling on the internet, this role is focused on the
technological characteristics of the medium and not the management of its content. IT managers can provide valuable inputs in terms of hardware, software and use of technology to increase the organizations efficiency. It is not sufficient for managers to simply provide information to stakeholders. Knowledge, understanding or a relationship must be created. Perhaps the most important conclusion that can be drawn is that information technology as a functional area, is only responsible for the management of the technology and not for the communication exchange. It is therefore the opinion of the researcher that if the bank utilizes the internet as a medium, then the information technology department should only be responsible for the management of the technological aspects of the medium. The goal realisation or content management should be situated in the functional areas whose strategies are being implemented.

4.3.4. What is the relevance of the two-way symmetrical model in the use of the internet at Equity Bank Limited; and what its role in facilitating effective corporate communications?

The internet's true value can only be visible in two-way symmetrical communication or dialogic communication. The internet allows the Bank and its stakeholders to connect through technology, and Bank can build relationships with its stakeholders by using various internet applications.

The internet adheres to two-way symmetrical communication because it transcends organizational boundaries and hierarchy; allows relationships to be created between the Bank and its stakeholders, creates an environment for ethical and responsible communication, creates opportunities for the Bank to adapt to their policies and processes; and allows for continuous feedback. Equity Bank has however, to transcend
the barriers of two-way interactive communication to reach a new state of communication, namely dialogic communication.

In examining the role of the internet in corporate communication strategy, it is essential that communication technicians, managers and strategists play an important role in electronic communication. It is important to note that the role of corporate communication is not being limited to being a technician that brings the Bank’s website up to date, but that the internet is integrated into the Bank’s corporate communication strategy.

Senior communication practitioners can use the Steyn & Puth (2000) model to integrate the internet, and its applications, into the development and implementation of the corporate communication strategy. The use of this model will ensure that internet communication is employed strategically and that the most comprehensive approach to stakeholder management is followed. Equity Bank’s communication team need to understand that the internet is only a medium and not a corporate communication strategy by itself. It needs to be noted that the danger for the communication manager lies in the fact that the internet is viewed by many as a technology and not as a means to an end.

The growth of the internet has forced communication technicians to incorporate the internet into their strategic communication planning, but communication managers still need to consider the core messages before deciding on the vehicle or medium of disseminating that information to their stakeholders especially in their decisions on when and where internet applications should be used. The internet might be a powerful new medium, but it still requires to be used within the context of a corporate communication
strategy. Since the latter provides the link to the Bank's strategic issues, the internet can only contribute to the organization's effectiveness if it is used in the context of corporate communications strategy.

The current tendency to regard the internet as a mass information distribution medium may also change, as people understand it better. The internet can be used as a provider of information as well as a distributor of information not only limited to a one-way public information model of communication but also to allow possibility of feedback. Feedback can be enhanced through providing comments section of materials posted on the internet or website or interactive blogs managed from within the Bank. The internet can only fully perform this role if it is integrated into the Bank's overall strategy. The internet should form an integral part of all the business as well as functional strategies. Although the internet is a technological application, it is also a medium on its own. It can function as a medium or business tool for communication, marketing, research and other business functions. This strategy however depends on whether the internet contributes to the bottom-line.

It can be concluded that the internet should be managed by the corporate communication department in the organization. The Information technology department should only support the technical functions (speed, availability, uptime and connectivity) of the internet. If this is not the case, then the corporate communication department should be closely involved in the management process. The most effective use of electronic communication mediums is to integrate it into an overall strategy and to realize that it is not a sales or marketing tool but a communication medium whereby users (members of a stakeholder group) come to the organization seeking information.
versus the organization sending out information to the members of the public (Kornegay & Grunig, 1998, p.145). To achieve this objective it is necessary to view the internet and all its applications, as part of the strategic corporate communication mix. This process of integration is illustrated by applying the internet, as a medium, in Steyn and Puth model for developing corporate communication strategy.

The internet is creating a new corporate communication environment by influencing communication channels, corporate stakeholder identification, communication mediums, message content and form, communication feedback, corporate communication roles and the shared meaning of messages. This research showed that organizations and the corporate communication practitioners must embrace the internet in their strategic goals. They should ensure that there is no barrier to the two-way interactive communication offered by the internet.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary and Conclusions

The use of social media has been because of the paradigm shift in communication media creating the possibility of a fully two way interactive communication. The very nature of the Internet makes the use of the two way model problematic. The bank cannot force their stakeholders to read all the information on their website or even to watch all the YouTube clips. The stakeholder is therefore in command of the electronic communication process (Graham, 1997, p.28). Electronic communication can be carefully planned to achieve maximum change in attitudes and behavior (Grunig & Hunt, 1984, p.23) and feedback can be solicited.

The internet's full potential can only be realised if it is incorporated into the corporate strategies especially in communication. If the internet is viewed in isolation, then it will remain a mass of electronic devices. Equity Bank initially focused only on providing information and not giving space for feedback but now with the introduction of Equity media it has enabled access of Equity Bank videos in YouTube. Equity Bank can therefore further exploit the Internet for educating, informing and persuading the bank’s diverse stakeholder groups (Marken, 1995; White & Raman, 1999).

It is not enough for an organization to provide data or information to their stakeholders. Knowledge and understanding must also be cultivated in the communication exchange on the internet. Knowledge can only be achieved if the bank participates in two way interactive relationships with their stakeholders, instead of merely
providing information. It can also be concluded that although information technology managers play an important role in information handling on the internet, this role is focused on the technological characteristics of the medium and not the management of its content. IT managers can provide valuable inputs in terms of hardware, software and use of technology to increase the organization's efficiency.

The internet adheres to two-way symmetrical communication because it transcends organizational boundaries and hierarchy and allows relationships to be created between the organizations and its stakeholders, creates an environment for ethical and responsible communication. This also allows for creation of opportunities for the Bank to adapt to their policies and processes; and for continuous feedback. Equity Bank has however, to transcend the barriers of two-way interactive communication to reach a new state of communication, namely dialogic communication.

The internet can only fully perform its role if it is integrated into the Bank's overall strategy. The internet should form an integral part of all the business as well as functional strategies. Although the internet is a technological application, it is also a medium on its own. It can function as a medium or business tool for communication, marketing, research and other business functions. This strategy however depends on whether the Internet contributes to the bottom-line. It can be concluded that the Internet should be managed by the corporate communication department in the organization. The Information Technology department should only support the technical functions (speed, availability, uptime and connectivity) of the Internet. If this is not the case, then the corporate communication department should be closely involved in the management process.
The most effective use of electronic communication mediums is to integrate it into an overall strategy and to realize that it is not a sales or marketing tool but a communication medium whereby users (members of a stakeholder group) come to the organization seeking information versus the organization sending out information to the members of the public (Kornegay & Grunig, 1998, p.145).

5.2 Recommendations

5.2.1 It is important for the bank to establish a substantial content-ridden presence on the internet.

5.2.2 Corporate communication managers must integrate the medium into the bank's functional strategy.

5.2.3 The bank must future consider on-line crisis management strategies, not only because they are becoming victims of cyber crime and cyber activism, but also because the internet is another tool in the bank's crisis of arsenal communication mediums.

5.2.4 It is important to establish why stakeholders visit the website and why they don't, and not merely count the amount of hits.

5.2.5 Further research should be conducted to establish the relationship between staff responses and that of the customers in similar contexts.
5.3 Limitations of the study

The following indicated the most important limitations of the study.

It could also be regarded as basis for future research.

1. Only four corporate communications models, as conceptualized by Grunig were used in the empirical part of the study. Other corporate communication models have since been developed.

2. The research was based on a case study in banking something that can be considered in other organizations.
BIBLIOGRAPHY


Dear [personalised]

RE: UTILISING THE INTERNET TO REALISIE CORPORATE COMMUNICATION.

I am currently a post-graduate student at the University of Nairobi doing my Master's in Communication Studies degree, titled: 'The Role of The Internet in Facilitating Effective Corporate Communications in Kenya's Banking Sector: The Case of Equity Bank'. It would be highly appreciated if you could complete this questionnaire as soon as possible, no later than 6th August 2011.

I thank you for your willingness to participate in this research study. The results of the study will also be made available to you.

Yours sincerely

Louise Araka

Please complete the following questionnaire to the best of your knowledge.

For the purpose of this study the term 'stakeholder' is used to describe all publics which influence the Bank, and which are in return influenced by the bank e.g. customers, media, government, investors, vendors, pressure groups etc.

SECTION A
Personal information
Name:
Designation:
Email Address:
### Usage of The Bank’s Internet Facility

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<td>9 Improving corporate image in the marketplace</td>
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<td>10 Gaining information to determine communication barriers</td>
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<td>11 Launching new products or services</td>
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<td>12 Managing a crisis in the organization</td>
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<td>13 Managing investor relations (e.g. to make financial information available to relevant financial stakeholders)</td>
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<td>14 Increasing sales</td>
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<td>15 Establishing the presence of the bank on the internet</td>
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SECTION C:
Briefly explain this section to help us understand the role of the internet in enhancing corporate communication

1. What is your purpose for deploying internet in the bank?
2. How does the internet enhance communication between you and your employees, customers, suppliers and other interested parties.
3. How do you use the internet in exploring and approaching new customers and segments? How internet provides benefits in this area.
4. How do you use the internet in communicating to your stakeholders (e.g. generating ideas, getting feedback, research etc)
5. Did the internet cause changes in the Bank's structure and decision making? If yes, how? What benefits it provides in new management system?
6. During the past 3 years, have there been big changes in the internet application (e.g. the website, the domains etc)? If yes how?
7. How you perceive that the internet services that you offer has had an impact on internal communication in the bank?
8. How has communication developed with the advent of the internet?