Contemporary Marketing Research Journal (CMRJ)
Vol.8, No.3; May-June, 2021;
ISSN (5733 – 7154);
p –ISSN 4051 – 392X
Impact factor: 7.25

PUBLIC RELATIONS AND SAVINGS MOBILIZATION DRIVE OF MICROFINANCE BANKS IN AKWA IBOM STATE, NIGERIA

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Abstract: *The study is on the influence of public relations on savings mobilization drive of microfinance banks in Akwa Ibom State, Nigeria. The objective of the study was to examine the effect of public relations on savings mobilization drive of microfinance banks in Akwa Ibom State. To achieve the objective, data were collected from 400 respondents drawn from the banks' marketing managers, selected staff and customers. Four hundred (400) copies of the questionnaire were retrieved in useable form, representing 100 percent. Data generated from the study were processed using descriptive and inferential statistics, and hypothesis tested with simple regression at 0.05 level of significance. Findings revealed that public relations had significant influence on savings mobilization drive of microfinance banks in Akwa Ibom State. Based on the findings of this study, it was concluded that public relations had significant influence on the savings mobilization drive of microfinance banks. This means that increasing efforts in public relations potentials of microfinance banks will also yield a corresponding increase in savings mobilization. Thus, we recommended that managers of microfinance banks should enhance effective use of public relations strategies to increase savings mobilization drive of microfinance banks*

Keywords: Public Relations, Savings Mobilization Drive, Microfinance Banks in Akwa Ibom

Introduction

Public relations is an organization's communication with its various publics. These publics include customers, suppliers, stakeholders, employees, the government and the general publics. The aim of public relations is to communicate and give information about a product/service or organization through news placement and its activities by the media without the organization paying for time and space directly (Mersham, Theunissen and Peart, 2009).

This marketing communication tool can aid in Savings Mobilization drive of banks. Unfortunately, many studies on financial institutions have been focusing on deposit money banks (commercial banks) with very little or no effort in Microfinance Banks particularly in Nigeria (Odejimi and Nosa, 2019). It is against this background that we attempt to investigate the influence of public relations on the Savings Mobilization drive of Microfinance Banks, with specific reference to Microfinance Banks in Akwa Ibom State.

Objective of the Study

The objective of the study was to:

- Determine the effect of public relations on Savings mobilization drive of microfinance banks in Akwa Ibom State.

Study Hypothesis

Ho: There is no significant effect of public relations on savings mobilization drive of microfinance banks in Akwa Ibom State.

Public Relations and Savings Mobilization

Public relations is an organization's communications with its various publics. These publics include customers, suppliers, stockholders (Shareholders, Finance Institutions and others with money invested in the business) employees, the government and the general public. In the past, organizations thought in terms of publicity rather than public relations, the distinction between advertising and publicity was based on whether or not payment was made to convey information via the mass media. Advertising requires payment by the sponsor of the message or information while publicity is information which the media decides to broadcast because it is considered newsworthy and therefore no payment is received by the media or from a sponsor. It is more common these days to speak of public relations than of publicity. Public relation is much more focused in its purposes (Gobezie, 2018).

The objectives of public relations tend to be broader than those of other components of promotional strategy. It is concerned with prestige and image of the organization as a whole among groups whose attitudes and behaviour can impact upon the performance and aims of the organization. To the extent that public relation is even used in product promotion, it constitutes an indirect approach to promoting an organizations products and/or services (Gobezie, 2018). Afande and Maina (2015) indicate that public relations has its effects on savings mobilization. Ogunleye and Akanbi (2014) in a study titled "Are Microfinance Banks important in Deposit mobilization in Nigeria"? In order to determine the extent of deposit mobilization capacity of Microfinance Banks in Nigeria, the result which were shown using appendices A and B, it was revealed from appendix A that as low as 7.5 kobo deposits was made with Microfinance Banks for every ₦1 deposit with deposit money banks in Nigeria which clearly showed a low level of savings culture with Microfinance Banks in Nigeria. After incorporating inflation in appendix B, they found out that only 7.4kobo was realized as Microfinance Bank deposits for every ₦1 deposit with deposit money banks. This reduction was due to the impact of inflation of depressing on savings. The low level of deposits attributable to Microfinance Banks was attributed to a generally low level of income and the low level of confidence of the saving public in microfinance institutions.

The Concept of Savings Mobilization

It is clear and undisputable fact that savings are of great value to a nation's growth and development. Mobilizing savings is necessary if any society must proceed into self-sustaining economic growth (Bannerman, Siaw and Agbenyo, 2017).

Dupas and Robinson (2009) in an assessment of the effects of micro savings in Kenya finds that access to savings accounts by micro entrepreneurs in Microfinance Banks had several positive effects on the business fortune of the savers. This fact seems interesting because the saving account were not only interest-free but also featured substantial withdrawal fees. Also, research in Thailand shows that microfinance institutions, particularly those targeted at women promoted asset growth, consumption smoothing, mobility across occupations and industries and also reduced reliance on money lenders (Kaboski and Townsend, 2005).

People tend to save to compensate for uneven income streams. Poor households save for various purposes such as insurance against bad health, disability and other emergencies, investments, social and religious obligations and future consumption (CGAP, 2010). Evidence shows that the poor will hold financial savings in savings accounts with financial institutions if appropriate awareness are created (CGAP, 2010). Mobilizing small and micro savings can contribute to self-sustaining ability by providing the microfinance institutions (MFI) with cheaper fund than those from interbank market. However, there may be a tradeoff between the lower financial costs and relatively high costs of mobilizing and administering small deposits. (CGAP, 2010).

Attracting depositors may instill a stronger demand orientation and thriftiness in MFI operations and increase public confidence. As savers become important stakeholders in deposit taking institutions, the latter are forced to improve their product variety and the efficiency of their services (CGAP, 2010).

Savings mobilization refers to creating safe and sound institutions where savers can place their deposits with the expectation that they will receive the full value of their funds plus a real return upon withdrawal. It means developing appropriate products to satisfy the local demand for voluntary savings services and marketing those products to savers of varying income levels.

TEST OF HYPOTHESIS

There is no significant effect of public relations on savings mobilization drive of microfinance banks.

Table 1: Model Summary of the Effect of Public Relations on Savings Mobilization Drive of Microfinance Banks

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801[a]	.641	.640	1.36134

a. **Predictors**: (Constant), Public Relations

Analysis of Variance[a] of the Effect of Public Relations on Savings Mobilization Drive of Micro-Finance Banks

	Sum of squares	Df	Mean square	F	Sig.
Regression	1315.993	1	1315.993	710.096	.000[b]
Residual	737.597	398	1.853		
Total	**2053.590**	**399**			

a. Dependent Variable: Savings Mobilization Drive

b. Predictors: (Constant), Public Relations

The result above shows that there is a positive relationship between the independent and the dependent variable with R-value of (.801). The R-square which is the coefficient of determination is (.641). This is an indication of the independent variable (public relations) in predicting the percentage of effect of the dependent variable (savings mobilization). In other word, 64.1 percent of the variation in the dependent variable can be explained from the independent variable (public relations). The F-ratio value in the ANOVA table is 710.096 which is significant at 0.000, since the probability value (0.000) is less than 0.05 percent level of significant. We reject the null hypothesis and accept the alternative that public relations actually contributes to the savings mobilization drive of microfinance banks in Akwa Ibom State. This can be interpreted that the microfinance banks in our study have good relationship with the media. As such the bank benefits from unexpected editorial coverage which in turn increases their savings mobilization drive.

Discussion of Findings

The study investigated the influence of marketing communication tool (public relations) on the savings mobilization drive of microfinance banks in Akwa Ibom State. Hypothesis was formulated to guide this study and the hypothesis was tested at 0.05 level of significance through the use of simple regression analysis. The statistical package for social science (SPPS) version 21 was used to carry out the analysis.

The null hypothesis was rejected and the alternative hypothesis accepted. This resulted from the fact that the regression result was significant, the computed f-values for the hypothesis showed statistical significance of the overall regression model. This means that there is statistically significant effect of public relations on savings mobilization drive of microfinance banks in Akwa Ibom State. The result of this study is in support of the findings of other researchers, such as Afende and Maira (2015), Ogunleye and Akanbi (2014), that public relations has significant effects on savings mobilization of banks.

5.2 CONCLUSION

Based on the findings of this study, the following conclusion was established: Public relations has significant effect on savings mobilization drive of microfinance banks. This means that for every unit that public relation increases, savings mobilization drive of the banks will increase.

5.3 RECOMMENDATIONS

Based on the findings and conclusion of this study, we recommend that the managers of microfinance bank should enhance the efficient use of the marketing communication tool strategies to **b**uild good relations with the bank's various publics by obtaining favourable publicity, building up a good corporate image and handling or heading off unfavourable rumors, stories and events in order to increase the banks saving mobilization drive.

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