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A STUDY OF PUBLIC RELATIONS PRACTICES
OF THE FIRST NATIONAL BANK OF FORT WORTH

THESIS

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By

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This study examined the organization, goals and scope of the public relations activity of the First National Bank of Fort Worth, Texas. The study's purpose was to examine the public relations function, department structure, process by which goals and policies are determined, the bank's practice of public relations and the process by which effectiveness is evaluated.

The bank satisfactorily met several criteria for public relations effectiveness, but the staff was hampered by a lack of formal goals, philosophy or measurement criteria.

The study found the bank's senior management to have a passive attitude toward public relations and to discern it ultimately as a marketing or sales promotion tool. The study recommended establishing formal goals, policies and evaluation criteria.

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CHAPTER I

INTRODUCTION

Banks play central roles in the economic, social and cultural development of the communities in which they do business. The modern community could not exist without its banks; nor could banks exist without communities to serve (5, p. 12).

Traditionally, banks have been vital to the economic development of the United States. Banks established a degree of monetary stability in the years immediately after the American Revolution by providing and regulating a standard currency, something that had been lacking during the nation's Colonial era (12, p. 110).

As the frontiers expanded, banks continued to play a major role in the new nation's economic growth by financing the development and expansion of the country's agriculture, transportation, retailing, and manufacturing (12, pp. 478-482).

Today, the typical bank's high visibility in and intimate involvement with the community in which it does business results in the bank's being in a position that requires it to deal potentially with a variety of audiences, from customers to stockholders to government (6, p. 19).

The practice of public relations provides the tools with which modern business organizations communicate with their audiences. This is true for banks as well.

Although American business has recognized the importance of public relations since the end of the Civil War, the American banking establishment ignored the practice until well into the twentieth century. Robert Lindquist, a banker who is an expert in banking public relations, wrote:

The real concept of "public relations," itself so new even in other areas of business, was unheard of in connection with banking until the shocking experiences which began in late '29 and continued over into the early 1930's. The first reference in banking to "customer relations" was in 1933, according to known record. The use of the term "public relations" in connection with banking came even later (6, p. 7).

The term public relations has been defined by a variety of scholars and practitioners. Scott M. Cutlip and Allen H. Center, co-authors of Effective Public Relations, one of the most popular textbooks on public relations, said, "Public relations is the planned effort to influence opinion through good character and responsible performance, based upon mutually satisfactory two-way communication" (3, p. 1).

Edward L. Bernays, a highly regarded practitioner credited with helping found public relations as a profession, offered this definition:

The term public relations . . . has three meanings: (1) information given to the public, (2) persuasion directed at the public to modify attitudes and actions, and (3) efforts to integrate

attitudes and actions of an institution with its publics and of publics with that institution (1, p. 3).

John E. Marston, a teacher and practitioner, defined public relations as the

Management function which evaluates public attitudes, identifies the policies and procedures of an organization with the public interest, and executes a program of action (and communication) to earn public understanding and acceptance (8, p. 6).

Both scholars and practitioners agree that the public relations function includes a wide range of activity: Media relations, community relations, stockholder relations, labor relations, government relations, and institutional advertising are some of the activities that take place in the name of public relations.

The role a business elects for its public relations function--whether it is wider or narrow in scope than the partial list of activities named above--is determined by what the business is trying to accomplish through its public relations effort.

Harold Stieglitz and Allen Janger recognized this in a study prepared for the National Industrial Conference Board in 1965:

There are . . . companies that regard public relations primarily as a set of journalistic . . . techniques, useful in furthering the objectives of some other phase of the company's business. Companies may, for example, consider public relations as a tool to be used by marketing in extending the company's marketing beyond that covered by the regular advertising or sales promotion. Or they may

see public relations as an essential personnel tool, helping to achieve and preserve favorable employee attitudes. Still other companies view public relations skills as primarily useful in maintaining good relationships with investors and the financial community (11, p. 91).

Academicians and practitioners who have defined the role of public relations in banking stress (a) the typical bank's intimate involvement with the community it serves, and (b) public relations as part of the marketing community, i.e., as a business- and goodwill-builder that will result in better profits for the bank.

Lindquist does not separate a bank's financial function from what he discerns to be its social responsibilities when he discusses the role of public relations in banking:

The public relations obligation of a bank goes beyond the provision of financial functions . . . by the nature of the business and because the public considers banks as essential civic institutions. The progress of a bank is directly related to the progress of the community, and it is under obligation to the area from which its success is drawn (6, p. 85).

Marston's discussion of banking public relations touches on both the community service and profit aspects of public relations:

As substantial institutions, holding the keys to financial undertakings, banks are expected to lead in community progress. Bank people are expected to work on Community Chest drives, to be active in Rotary and Kiwanis, and to lead in city-planning commissions. Unpaid as it is, this service has its own reward by bringing bankers into contact with many important people with whom they may also do business, and it results in much good publicity (8, p. 88).

Robert Howard, writing in an American Bankers' Association publication, said:

Public relations and marketing complement each other. As public relations seeks to influence the climate and environment in which a bank carries on its business, marketing does the job of carrying on that business by creating and selling services (5, p. 2).

Leonard L. Berry and James H. Donnelly, professors of business, stressed the marketing aspect of banking public relations in Marketing for Bankers:

Of all the marketing activities considered . . . the activity of public relations remains one of the most difficult to define. This difficulty is due to public relations' amorphous past, to the "catch-all" nature that so many ascribe to it. In brief, public relations to many people includes all those marketing activities that do not fit neatly into other categories, such as personal selling or advertising--for example, press releases, plant tours, investor relations, annual meeting arrangements, representation of the company as spokesman (2, p. 192).

Lindquist, who worked as a banker more than 30 years, stressed the financial gains inherent in good public relations. Writing in The Bankers' Handbook, he said, "The end result of such public relations activity is building the bank's business and profits" (7, p. 703).

Statement of the Problem

The First National Bank is one of the three largest banks in Fort Worth, with assets of approximately one billion, two hundred million dollars. It is one of the oldest banks in the city, with a century-old history of achievement within the community, having been founded in 1877. This study

examined the organization, goals and scope of the public relations activities of the First National Bank.

Purpose of the Study

The purposes of this study were (a) to examine in what light the management of the bank regards the public relations function; (b) to examine the structure of the bank's public relations department; (c) to examine the process by which public relations policies and goals are determined and programs carried out; (d) to examine the scope of public relations as practiced by the First National Bank, and (e) to examine the manner in which the First National Bank evaluates the effectiveness of its public relations programs.

Questions To Be Asked

This study asked the following questions about the public relations function at the First National Bank of Fort Worth.

1. Does the First National Bank have public relations goals?
2. If so, what are those goals?
3. By what process were these goals arrived at?
4. Who in the bank's management participated in their development?
5. Who on the bank's public relations staff participated in their development?
6. Does the bank conduct research into community and

customer attitudes, etc. before formulating its public relations goals?

7. Who are the bank's primary public relations audiences?

8. Who are the bank's secondary public relations audiences?

9. How is the bank's public relations department organized?

10. Do the bank's public relations practices meet the goals set by the bank?

11. Has the bank's public relations department established criteria for measuring the effectiveness of its programs and activities?

12. If yes, what are these criteria and what is the process by which the bank measures effectiveness?

Recent and Related Studies

Only one of 4,376 doctor's dissertations and master's theses written in the journalism field between 1963 and 1978 dealt specifically with banks and their public relations practices.

In 1970, Charles R. Rose wrote a master's thesis at American University entitled "A Survey of Public Relations Programs of the Commercial Banks in the Empire State, the Financial Capital of the World" (10). He examined the philosophy and scope of public relations programs conducted during 1969 in 30 of the largest banks in New York State.

He investigated the roles of the banks' senior management in these programs and made comparisons of the emphases and types of public relations programs used in the largest and smallest banks studied. Rose used primarily personal interviews and questionnaires sent to senior public relations officers in these banks. He compared his findings with those of examinations of public relations programs operated by the nation's 750 largest industrial corporations. He concluded that banking public relations had not "reached its potential" in terms of being "dignified" with a separate department standing (62 per cent of his respondents reported to the bank's marketing department); Rose found a correlation between "the quality of a public relations plan and the long-range planning aspects of the program." Overall, he reported "less than adequate" public relations plans for New York state banks as a group. He based his conclusions on the lack of long-range planning and a dearth of written policy and attempts to evaluate program effectiveness (10, pp. 61-63).

Limitations of the Study

This study was limited to an examination of the public relations programs of the First National Bank of Fort Worth.

Methodology

Information for this study was gathered largely through questionnaires (Appendix A) and interviews (Appendix B)

completed by the public relations staff and management of the First National Bank, from pamphlets and books furnished by the First National Bank, and from other periodicals and books. Questionnaires were followed by interviews for clarification and elaboration.

The questionnaire provided demographic information about the public relations director and the public relations staff. The interview schedule contained questions about the preparation, execution, and evaluation of the bank's public relations plans and programs, the organization of the bank's public relations department, and the means by which the bank monitors the progress of its activities and attempts to evaluate the effectiveness of its public relations programs.

Both the questionnaire and the interviews sought to discern the structure, organization, goals, accomplishments, and failures, if any, of the First National Bank in the area of banking public relations.

Procedure for Analysis of Data

The responses of the public relations staff and the management of the bank's market services department determined the extent to which the First National Bank is succeeding or failing in meeting its public relations goals.

The work of several academicians and practitioners provided a perspective of what business management expects from public relations and the scope of public relations activity throughout industry.

Stieglitz and Janger, in a study of several manufacturing and service companies with public relations staffs ranging from as few as three or four to as many as twenty-five persons, found that most public relations units carry out essentially four functions:

1. Preparation of company publicity releases and publications that go outside the company. In some companies, the public relations unit is also responsible for producing internal employee publications.
2. Preparation of top management speeches, special company exhibits, and publicity programs and events.
3. Continued contacts and relationships with major communications media -- newspapers, magazines, radio, television, and cinema.
4. Building and maintaining good relationships with various groups or "publics" whose perceptions of, or influence on, the company is of special interest to the company (11, p. 92).

Robert G. Howard, writing in Bank Public Relations and Marketing, said a bank's public relations and marketing should:

1. Be determined by the directors and officers of the bank in light of the bank's objectives.
2. Assure the continued existence of the bank for the twin purposes of earning a profit . . . and providing adequate financial services to the community.
3. Define each of the publics interested in, or to be influenced by, the bank's operations.
4. Be translated into operating procedures which are executed by the bank's administrative personnel.
5. Be reviewed at regular intervals to check the effectiveness of the public relations program and the marketing practices in order to determine whether any adjustments or modifications are necessary in light of the experiences (5, p. 138).

Archie K. Davis, while president of the American Bankers' Association, outlined "what management expects and, in fact,

must require of the marketing function" in addressing the banking industry's public relations:

1. A strong orientation to customers and their needs and to earning a continuing and growing profit.
2. A professional staff and professional approach to all programs, projects and efforts.
3. A well-conceived marketing plan in line with management objectives and integrating the vital functioning areas of marketing.
4. A pioneering attitude that is not content to "warm over" what other banks or financial institutions have done but which seeks profitable innovations.
5. A consuming desire to penetrate markets successfully and to achieve defined objectives, and a willingness to be measured and recognized or re-directed in all necessary areas (4).

An examination of responses determined how many of the essential four public relations functions outlined by Stieglitz and Janger were met by the First National Bank's public relations staff; the bank had to meet at least three of the criteria to be determined adequate.

An examination of responses determined how many of Howard's five essential public relations criteria were met by the First National Bank's public relations staff; the bank had to meet at least four of the five criteria to be held adequate.

An examination of responses determined how many of Davis's five essential management expectations were met by the First National Bank's public relations staff; the bank had to meet at least four of the five criteria to be determined adequate.

H. Frazier Moore and Bertrand Canfield outlined public relations objectives intended to integrate a company with its

community. They are

1. To answer criticism and repel attacks by local pressure groups who are misinformed about the company and the industry.
2. To establish the company as an important factor in community life through contributions to local institutions and participation in neighborhood affairs.
3. To find out what a community is thinking and saying about the company and its policies and operations.
4. To promote the welfare of the community by advertising its attractions to tourists and industrial potential to attract new industry.
5. To cooperate with schools and colleges by providing educational materials and furnishing training facilities and equipment.
6. To provide cultural leadership by encouraging greater appreciation of art, music, and drama.
7. To aid ranching and agriculture in areas where community welfare is dependent on the prosperity of surrounding farms or ranches.
8. To promote community health by supporting local health programs and by aiding the local Red Cross and hospitals.
9. To support sports and recreational activities by providing facilities and equipment and sponsoring events for the community.
10. To contribute to programs to combat juvenile delinquency and gain the goodwill of young people in the community.
11. To promote a better understanding of national and local economic and political affairs through sponsorship of forums and discussion groups for youths and adults.
12. To cooperate with other companies in promoting understanding of business and the economic system.
13. To show citizens of the community that the company is a good citizen and a good employer.
14. To maintain harmonious relationships with community leaders in a spirit of mutual respect and interest.
15. To create a business climate conducive to efficient and economical operations and establish the company as a good place to work in the eyes of prospective employees (9, pp. 301-302).

An examination of the bank's responses determined how many of these areas in which the bank is active; the First

National Bank had to meet at least twelve of the fifteen requirements to be considered adequate in integrating itself into the community.

Organization of the Study

This study is organized into four chapters: Chapter I introduces the study; Chapter II reviews the history and development of the First National Bank; Chapter III presents the data, and Chapter IV presents a summary and conclusion.

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CHAPTER II

HISTORY AND DEVELOPMENT

In 1848, the United States and Mexico went to war over the annexation of the Republic of Texas. After the war, colonization in the area was encouraged by land grants to veterans and to the widows of men who had died in battle. Fort Worth, Texas, now covers part of such a land grant (1, p. 1).

In 1849, white settlers in North Texas began asking for protection against the Kiowa, Comanche, and Apache Indians who roamed the area. The government responded by having the Army build a series of forts on the north-south line that extended the frontier as it moved westward (1, p. 2).

The founding of Fort Worth in 1849 was the result of this Army strategy. The fort was established on a large bluff overlooking the Trinity River and named after General Allan Worth, commander of United States forces recently victorious over Mexico.

For nearly a quarter of a century afterward, Fort Worth was nothing more than an army outpost and a small village, the conjunction of several cattle trails, the most famous being the Chisholm Trail. The town was, in every sense of the term, a sleepy crossroads with little more than a few hearty settlers, a saloon and a general store.

Two events within a few years of each other were to change the sleepy little village forever. The major event occurred first: the American Civil War. Many of the men who would bring their "trained minds and hope" (1, p. 24) and who would become the driving force behind the town's economic and cultural development in the late 1870s, and beyond, were Civil War veterans. The overwhelming majority had fought on the losing side. The second event that forever changed the village was its incorporation into a city in 1873. The town had grown from its founding to a population of nearly 4,000.

M.B. Loyd, a Civil War veteran, had arrived in Fort Worth in 1870. Paul Mason, board chairman of the First National Bank, writing on the occasion of the bank's 100th anniversary, wrote that Loyd "was met with the sight of a 21-year-old town that was quickly coming of age with saloons, gambling houses and hotels" (3, p. 10). He continued:

There was something special about the outpost and the "300 souls" who called it home that captivated and excited Captain Loyd's sense of adventure. He recognized the challenge in rebuilding a town that had been slow to mend after the devastating Civil War. He recognized the financial risks in settling in an area where the war had forced homeowners to vacate their houses and merchants to abandon their shops (3, p. 10).

Loyd, who had fought on the Mexican border as a captain of cavalry during the war, turned his attention to the exchange business. It was a propitious decision:

With the influx of U.S. bank notes into the Fort Worth market, a need arose for some method of exchange since they were not trusted locally. These notes were issued by banks all over the country and in order to redeem them, a storekeeper had to send them back to a New York reserve bank by stage-coach. This was a lengthy process that took considerable time. There was no way a merchant could be assured that the note was not counterfeit or that the bank would even be in business by the time the note reached New York (3, p. 11).

In 1873, Loyd formed the California and Texas Bank of Loyd, Markley and Company in partnership with Clyde P. Markley, a man who had gone to Texas during the California gold rush. Their banking business consisted primarily of exchanging United States notes for gold coins. They capitalized their operations at \$40,000 in gold, then held at a premium of 50 per cent over United States paper currency (3, p. 12).

Loyd and Markley can be credited with both foresight and more than a little courage. Texas was truly a frontier, especially for bankers. There was only one chartered bank in operation in Texas before the Civil War and there was not a private banker devoting all his time to banking (2, p. 7). Avery L. Carlson, in a history of banking in Texas, noted that during the pre-Civil War days, "there were a number of commission banking firms in Galveston and Austin . . . which handled bills, bank checks on Southern banks and . . . foreign exchange" but no banks in the interior of Texas (2, p. 7).

Post-Civil War banks in Texas found themselves dealing in a variety of activities, many of them in few ways associated with banking as we think of it today:

These early business concerns in Texas combined the dry goods, bakery and hardware businesses, with the commission and banking businesses. These merchants were compelled to perform banking functions in order to extend their trade. In the absence of adequate commercial banks, these merchants served as retailers, commission merchants, factors, insurance agents and bankers (2, p. 9).

Loyd himself became a railroad agent and often published advisories giving drovers much needed information about the perils of the road ahead--sometimes warning them of marauding Indians--and trail conditions (1, p. 4).

Just as Fort Worth began to boom, it was stunned by an economic depression brought on in part by the failure in September, 1873 of Jay Cooke and Company, the nation's largest investment banking firm. This was especially unsettling to Fort Worth, now an incorporated city, because work had just begun on the Fort Worth and Denver Railway, a line intended to open the city to the Western frontier. With the failure of the Cooke firm, all work ceased (3, p. 13).

Mason wrote, "Loyd was not easily discouraged. He continued his exchange operation and with unflinching faith in Fort Worth, he continued his efforts to rebuild and restore the town" (3, p. 13). It was not an easy time for faith, he said:

Depression had enveloped the country. It was a bleak time for Fort Worth and tragic for the frontier. By the end of 1873, the nation counted some 5,000 business failures, many of which could be directly attributed to the Cooke failure. And in Fort Worth, which had grown from "300 souls" to a population of 4,000 in 1873, desolation set in. The

population dropped to less than 1,000 and once again empty houses lined the streets of Fort Worth (3, p. 13).

It had become apparent to Loyd that the new national bank notes had acquired a reputation for such soundness that it was seldom necessary to redeem them. Seeing this, Loyd withdrew from the California and Texas Bank in late 1876 and, in January, 1877, organized the First National Bank of Fort Worth. The First National claimed the distinction of being the first bank in Fort Worth to receive a national banking charter:

The Comptroller of the Currency of the United States granted Loyd and his associates the charter on March 21, 1877 . . . First National Bank of Fort Worth opened its doors for business with capital of \$50,000 and at the close of the first day's business, deposits were \$72,000 (3, p. 13).

There was not a professional banker among the founding fathers: The original board included a doctor, several cattlemen, storekeepers, veterans of the Confederate War and Loyd, who would serve as president of the bank for 35 years (3, p. 10).

By the end of the year, the bank's deposits had more than tripled, to approximately \$220,000 (1, p. 7).

The bank prospered under Loyd's leadership. Its growth closely paralleled the rise of the Texas cattle industry. Loyd further strengthened the bank's ties to the cattle industry when he added, as the first additions to his original board of directors, a pair of cattlemen, Jesse Zane-Cetti and Burk Burnett (1, p. 8). Zane-Cetti, an engineer, was a former Philadelphian who would be instrumental in bringing the railroad to

the city, and in establishing a water works. Burnett, Loyd's son-in-law and frequent business partner, owned a herd of cattle that carried one of the most famous brands in the history of the West, the 6666. It was Burnett who, working with Quanah Parker, chief of the Comanches, leased thousands of acres of grazing land for cattlemen in North Texas (1, pp. 9-10).

Loyd died in 1912. Some of his last thoughts were of the bank he had founded:

A ten-story all steel construction building had just been completed Fort Worth's first skyscraper . The last remembered words of Captain Loyd were: "Damn my soul, you'll never fill up that building." During the lifetime of Mr. Connell Loyd's successor as president the building was filled up and had to be doubled in size in 1926 (1, pp. 11-12).

Railroads, with their impact on farming and grain shipments, and cattle, were at the heart and soul of Fort Worth's economy---and the bank's prosperity--until the 1930's when it became involved in financing the search for and development of a new element in the Texas economy, oil.

This move represented an aspect of banking which has been important to the First National Bank--innovation. The only consolidation in which the bank has ever been involved also resulted in an innovation: When the First National absorbed the Waggoner Bank and Trust Co. for \$150,000 the year before Loyd died, it also acquired the bank's first savings department.

Tom Yarbrough, elected president in 1931, continued the tradition of the First National as the "cattleman's bank" while taking it into other areas of activity:

The depression had cast a long shadow on the bank's first 50 years of prosperity. It was during this period that a new trend was developing in the banking industry--a trend that brought banks down from the heights of high finance. As early as the mid-20s consumer loan and deposit business began surfacing, and the '30s set the stage for the emergence of the highly diversified pattern of credit that we associated with banking today (3, pp. 16-17).

The First National Bank was one of the first banks in the city to respond to the new need for consumer loans:

The story is told that in the early '30s when every possible source of revenue was being investigated, Yarbrough was riding down the street in a car . . . During the drive Yarbrough was asked why the bank didn't make automobile loans, "just as we do on a steer, based on its current value." Recognizing the value in that line of thought, First National began pioneering the consumer market by establishing an installment loan department (3, p. 17).

Further diversity came with the organization of a trust department, now one of the largest in the state (3, p. 18).

Mason summed up the bank's attitude toward Fort Worth and the community in an address to the Newcomen Society in North America in 1977, on the occasion of the bank's one hundredth anniversary:

A hundred years of banking in a great community means so many things to so many people We . . . are committed to a re-examination and reaffirmation of the purposes and ideals of our founders. They saw it clearly and we must never forget; the banks exists to bring financial services to the community . . . In doing its work the bank assumes risks, it enjoys privileges, it becomes obligated to its investors and it is accountable to the entire society (3, p. 22).

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CHAPTER III
ORGANIZATION, FUNCTION AND ANALYSIS
OF PUBLIC RELATIONS ACTIVITY

Public relations activity at the First National Bank of Fort Worth is the responsibility of the market services department, headed by Gordon Crow, vice president of the bank.

Appendix C outlines the market services department as it was structured April 1, 1980. Crow is the market services manager. Reporting to him is Gary Crenshaw, a bank vice president; reporting through Crenshaw to Crow are the department's three activity areas: advertising and publications; public relations; and research and development. Each of these areas has a manager. These functions are assisted by people in clerical and production areas. The staff, including Crow and Crenshaw, numbers thirteen.

Crow is a veteran of banking public relations. He began working at First National in 1955, was named department manager in 1964, left the bank in 1968 to work for an advertising agency, and returned to the bank in 1970 as vice president and department manager.

He is a 1947 graduate of Otterbein College, Ohio; a 1949 graduate of Ohio State University and a 1979 graduate of the American Bankers' Association Graduate School of Bank Marketing at Louisiana State University.

Crow is active in community and civic affairs. He is a vice president of Fort Worth's Casa Manana Musicals, a vice president of the Fort Worth chapter of the American Heart Association, and a director of the Sales and Marketing Executives Club of Fort Worth.

Crenshaw, who reports directly to Crow, was promoted to vice president in December 1979. He holds a degree in finance (1969) from the University of Texas at Austin. He joined the bank as a management trainee in 1969 and was elected a marketing officer in 1971. He was promoted to assistant vice president in 1973.

Crenshaw is past president of the First National Business Builder's Club and past director and officer of the North Texas chapter of the Bank Marketing Association and a graduate of the School of Bank Marketing and the Graduate School of Marketing Management, both sponsored by the Bank Marketing Association.

Lori Campbell is the bank's public relations manager. She is a 1978 graduate of Texas Christian University, with a degree in general studies. She joined the bank in 1972 as an executive secretary in the trust department. Campbell became part of the bank's community affairs department (since disbanded) in 1977 and joined the market services department in public relations in 1978. She is a board member of the American Heart Association and a member of the Fort Worth Professional Women's Club.

The First National Bank is typical of many large banks in that the public relations function is but one of several activities carried on within the marketing department: Most banks include publications (both internal and external), market research, advertising, planning, sales (such as officer calls and sales training), sales promotion, community relations and product research and development in the marketing department (1).

Robert Lindquist, a banking public relations veteran writing in The Bank and Its Publics, did not separate a bank's financial functions from its responsibility to the community. Neither was he able to draw sharp lines among a bank's public relations, advertising, sales promotion and marketing activities (8, p. 85). Leonard Berry and James Donnelly, authors of Marketing for Bankers, noted similar difficulty in defining what constitutes a bank's public relations effort (2, p. 92). An examination of the First National Bank's public relations activities reveals the difficulty inherent in examining public relations as a function separate from marketing. As will be seen, the functions are so closely related in the minds of the market services staff as to be inseparable (in fact, the market services staff uses the terms "public relations" and "market services" synonymously).

The First National Bank has four main operating groups: general banking, the bank's lending arm; the investment management group, involved with bank investments and trusts; the

operations group, in charge of customer accounts and functions such as check-sorting; and the administrative group, which includes personnel, customer service, financial administration, and market services.

Information about the bank's public relations activities was gathered during three interviews: Crow and Crenshaw were interviewed on April 1, 1980; Crenshaw was interviewed on April 23, 1980, and Campbell was interviewed on April 28, 1980. Each was asked questions from the interview schedule (Appendix B). This chapter addresses their responses to those questions.

Market Services Department Functions

Crow sees the market services department's job as "supporting the marketing programs that the various line divisions have decided upon" (5). The bank's marketing plan is developed each fall. The market services department staff works with the heads of various bank departments to develop advertising, public relations and sales promotion activities that will support the plan. Crow said:

Our job is to assemble all the pieces together into a master marketing plan which is indexed advertising, public relations, market research and sales promotion. Our job is to review with them [bank officers and division heads] every quarter what they propose to do and make adjustments in our plans and budget. We see that the ads get produced on time, that the news releases go out as needed, the publications [such as annual reports and external publications] are printed. All these things come under the market services umbrella (5).

An examination of the bank's day-to-day public relations

activity reveals an ongoing concern for community relations, institutional advertising, sales promotion and product advertising.

Crow identified two major day-to-day public relations concerns of the market services department.

One is the bank's relationship with the local community through the activity of bank employees and officers involved in civic and cultural affairs. Crow said:

It has always been the philosophy of this bank . . . that we have an obligation to the community and therefore we encourage our people to participate in community affairs. To this end, we have representation in virtually every civic, professional and cultural organization in town. We [the bank's management] do not insist, but we encourage bank officers to become involved in outside activities and support them to the extent that we pay their dues and other expenses associated with membership, including the cost of going to conventions (5).

A second major day-to-day concern of the market services department is letter writing. This has been one of the "department's primary activities, since its inception in 1948," Crow said (5). Clerks scan various daily and weekly publications from Fort Worth and surrounding communities looking for appropriate opportunities to send letters of congratulations for promotions, awards, etc. The department sends 800 to 2,000 congratulatory letters a month. Each letter bears the signature of the bank president. Moreover, the bank sends letters to customers who close accounts, asking them to respond to a survey. If a problem with service is revealed, it is the responsibility of the market services staff to follow

through to try to alleviate the problem.

Although not a day-to-day concern, the staging of public relations and publicity "events" is another tool used by the market services department.

The bank celebrated its 100th anniversary in 1977. In recognition of this, several public relations "events" were staged by the bank:

Most of our PR money is really institutional PR. The plaza concerts began in 1977, any kind of special event that we would stage to get people into the bank. For example, when we had our centennial in '77 we produced a film. We had a Newcomen Society dinner in which the bank was honored. All this was institutional PR because we were highlighting the image of the First National Bank, not any particular department or person, but the bank as an institution (5).

Public Relations Goals

Despite the degree of community involvement to which the bank is committed, which is of a public relations nature, the first major problem encountered in studying the First National Bank's public relations activity has to do with the fact that neither the market services department management nor the public relations manager has established public relations goals for the bank. This lack of defined public relations goals leads to a second problem relative to addressing the bank's public relations philosophy and a third problem relative to measuring the effectiveness of the bank's public relations activity.

Although the bank has no stated, formal public relations

goals, there is an attitude shared by Crow, Crenshaw and Campbell about what the bank's public relations should be.

"The bank's public relations goals are tied in with the bank's marketing goals," said Crow (5). The First National, in attempting to capture a profitable share of the banking market, promotes and merchandises selected services just as any nonbanking institution would market its services. For Crow, whatever public relations goals the bank has will be found in the marketing plan:

We try to . . . blend in with our advertising approach public relations, the kind that are a reflection of our slogan, "We're not called the First' for nothing," "Everybody knows the First's the best" (5).

Crenshaw addressed the matter of goals by saying, "We don't have any stated public relations goals. That's certainly not to say we shouldn't have; we just don't" (4).

Crenshaw said he informally set some public relations goals for the bank in the late 1970's as part of the bank's charge to its public relations agency at the time. (The First National was not using the services of a public relations agency at the time of the study, although it had used Witherspoon & Associates of Fort Worth and Clinton E. Frank, Dallas office, throughout much of the 1970's. Witherspoon dropped the bank as a public relations client when it had the opportunity to take a more profitable advertising account at a larger bank, the Fort Worth National.)

Crenshaw said that although the bank did not develop any

corporate objectives for the bank, he established two public relations objectives for the department: Public relations projects should (a) be continual in nature and (b) involve both the bank site and the bank's employees as much as possible:

These were the two guiding objectives that we had. I still think that in the back of our minds--they're not written policy anywhere--whenever we view a public relations project or event we keep those two things in mind . . . when considering the million and one things that come our way (4).

Campbell, the bank's public relations manager, said the bank has vague, general goals:

They're typical PR-type goals just to promote a good image of the bank in the community and this market. Really, it's very general. As far as specific goals are concerned, I can't really say there's anything we zero in on (5).

Despite this lack of formal goals, there does exist a procedure by which the bank's market services staff, working in concert with other divisions within the bank, formulates the public relations, sales promotion and advertising activity that become part of the bank's formal marketing plan. This involves working closely with department heads to help them verbalize their objectives. "A lot of these guys can't articulate what it is they're trying to get at," Crow said (5). "We have to serve as a catalyst, sometimes as a translator."

Putting together these activities takes place in the fall.

Crow said:

While the marketing plan is being prepared with the other departments of the bank, the staff is

sitting around up here saying, "Hey, what are we going to do? Are we going to have the plaza concerts like we talked about?" We sit around and really talk about it (5).

The bank's senior management plays little direct role in this planning process. Crenshaw said the market services staff "doesn't really get any direction" from senior management in public relations planning.

About management's role, Campbell said:

I have found that they're interested in the marketing concept as a whole. Now, to narrow it down to PR in particular, I think they have more concern, but I don't think it's [public relations] very important [to them], or doesn't take as much priority as, say, advertising (3).

Crow said a major goal of the marketing plan is to generate walk-in traffic around the bank. To that end, the bank has staged musical concerts at noon periodically during the spring and summer since 1977. Crow said:

We deal with senior management in developing these public relations goals. Senior management is marketing-oriented. They are interested in programs that will help us preserve and improve our share of market and all those ancillary things we do aside from direct promotion to stimulate that (5).

Campbell said that despite not being actively involved with public relations planning or goal-setting, senior management is "supportive. They're not actively out there saying, 'Hey, gang, let's really beef up this PR effort,' but if you come up with something, they're usually behind you" (3).

The answer to the question "What role does the bank's senior management play in formulating these public relations goals?" is that the bank's management is passive, open to

suggestion, highly interested in strong marketing activities, and does not care if awareness penetration is made through advertising or public relations.

Crenshaw said:

We really don't get any direction from the top. We know what they like and what they don't like [a feeling that evolves over time as the result of working with them]. And that's about all they can give us as far as PR, and almost about advertising . . . You pick up little things. They don't sit down and write something out as far as long-term policies regarding PR. We try to do something like that [annually in the bank's marketing plan]. Really, our charge is to tell management what we think is the best way to approach public relations (4).

Image Monitoring

One of the most important jobs for the market services staff is to monitor the image the bank presents not only through its public relations, but also in such areas as community affairs and advertising. To this end, employees play an important role. "Employees are one of our most important audiences," Crow said. "They have very strong opinions about what this bank is all about and the way it should be presented to the community" (5).

This awareness, coupled with a sensitivity to other areas, plays an important role in the bank marketing staff's attitude toward the public relations philosophy of the First National Bank.

Public Relations Philosophy

The bank's public relations philosophy, as with its public relations goals, has not been formally addressed by the

the market services staff. Crenshaw expressed the staff's unwritten philosophy toward public relations: "You want to be well thought of, whatever that means. We want to be considered a socially, civically responsible institution, for whatever good that means to us" (4).

Campbell has this impression of the bank's public relations philosophy:

I don't feel that there has ever been an actual statement that says, "This is how we feel about public relations." I frankly have never heard it, but that doesn't mean there isn't one. Generally, we want to be well thought of . . . that would have to be our philosophy (3).

Every organization has a directive force--whether a single person or a group--that sets its basic philosophies. Crow said it is difficult to single out who sets the public relations direction of the First National Bank:

You can't single out one person, I believe, who sets philosophy for this organization. The bank's public relations philosophy has been kind of arrived at by guess and by golly, by gut feelings about things, a sensitivity to your community. A lot of it depends on the man who's running the bank (5).

Crow reflects Lindquist's attitude that a bank has a responsibility to the community it serves: "We have an obligation to the community . . . and we encourage our people to participate in community affairs" (5).

Although the bank's market services staff has not established a formal philosophy, it has arrived at an informal approach that provides a source of guidance for the conduct of public relations. The answer to the question "Who sets the

public relations philosophy of the bank?" is that the market services staff sets it unconsciously, in the way it tailors every public relations and promotion activity. The bank's unwritten philosophy has evolved over time and will continue to evolve, given the state of the bank's economic health and its relationship with the city it serves and the attitudes of customers and the public toward the bank.

Increasingly, American business is using research into primary and secondary audiences to formulate not only public relations plans, but also to help establish policy. The bank conducts research surveys twice a year, concentrating on customer service items such as friendliness and suggestions for improved service. The market services staff does not use this information directly in its public relations planning, but may use it to some degree indirectly. "That research tells us how people view us vis a vis our arch competitor down the street," Crow said (5). Campbell said, "I look at it [the research] for my own information to know who our customers are and who we're missing" (3).

Public Relations Audiences

Having a clear idea of to whom a business should address its public relations messages is as important as having an idea of what a business's public relations goals should be. Most public relations practitioners recognize that a business or an industry will have both primary and secondary audiences. Crow considers the bank to have five primary audiences:

customers, stockholders (of the bank's holding company), government agencies (an audience addressed by the holding company), employees and the community at large. He said:

In one sense, our primary concern is our customers. But on the other hand, our potential customers are our primary concern. I don't know that I could rule out any as a primary audience; whatever could be secondary, I don't know (5).

Public relations manager Campbell said, "Obviously, our employees and customers" are the bank's primary audiences. About secondary audiences, she said that "would be our target markets, noncustomers" (4).

Nearly every business or industry has some public relations problem that is unique, a problem that may be related to a product, service or customer. Campbell said that the bank's unique public relations problem has to do with its identity:

I would say the main problem our bank has always had is its identity, its name, the First. First National Bank of Fort Worth is always being confused with First National Bank and, of course, it works both ways. They get some of our people over there, we get some of theirs. I would say that is our unique problem, identity (3).

Crow said the bank's unique public relations problem has to do with the bank's size and stature in the community:

The area of contributions has become a real problem for banks. People have the idea that banks have a lot of money. They [banks] do have this franchise I spoke of to serve the community . . . and consequently any time an organization needs money, they [sic] think, "Gee, let's go hit up the bank." It has become a real problem . . . you have to be careful about who you say "no" to (5).

Measuring Results

Problem-solving, of both unique and everyday problems, is the most important task faced by the public relations practitioner. At the heart of what helps the practitioner determine his effectiveness is a set of criteria that have been established for the purpose of measuring what was or was not accomplished.

The market services staff finds it difficult to measure the effectiveness of its public relations effort. Crenshaw said about effectiveness:

PR has different markets, just like you have different markets for your services . . . the investment community could [sic] probably care less about our noon music [programs in the summer]. We probably have more marketing objectives in the investment arena. I'm not sure PR is the right terminology, but we do as much as we can to keep them informed and to develop a relationship. It's a communications relationship. We have our objectives there, and about measuring the results of what we do there, I think it's a little easier because they respond to invitations, accept publications, etc. because it's a smaller entity (4).

Crow, asking "How can you tell if you're effective?"

(5), attempts to measure public relations effectiveness on the basis of consolidated activity reports prepared monthly by staff members. The report keeps track of news releases distributed, tours of the bank that were conducted, the status of work on publications and other projects in progress. Newspaper clippings for the First National and other banks are kept. "I'm always amazed at how many activities this office is involved in," Crow said (5). A typical month may find public relations

activity ranging from a breakfast for visiting stock show youth (a First National Bank public relations project since 1958) to a cocktail party for the bank's correspondent bankers in West Texas. Crow measures public relations effectiveness from the standpoint of marketing goals:

We look upon our job as paving the way for sales someday. We're not selling a product that's going to be bought by reading an ad or coming to a concert. But you take those things all put together --a lobby display somebody's seen, being invited to a trust seminar, being invited to a cocktail party to meet the new president of the bank--these are all little things chipping away, chipping away in hope of improving our customer relationships. You know, this is about all we can expect (5).

Summary

The market services staff, which uses the terms public relations department and market services department interchangeably when referring to the department, refers to many activities, including community relations and sales promotion, as public relations. This blurring of lines reflects a traditional attitude of bankers toward public relations and marketing, and it compounds the problem of examining the bank's public relations activities.

The market services staff is guided by informal goals and philosophies in its preparation and conduct of public relations programs. The staff works closely with the bank's operating divisions in preparation of the annual marketing plan, while getting relatively little direct guidance from the bank's senior management concerning public relations, or

advertising. There is some confusion over which publics constitute the bank's primary and secondary audiences. The bank's unique public relations problems stem from (a) a similarity in name with a major competitor and (b) the bank's visibility within the Fort Worth community, which makes it a frequent target of organizations seeking financial support.

No formal criteria have been established by the market services department manager or the public relations manager to gauge the effectiveness of the bank's public relations activities or programs.

Application of Criteria to Bank's

Public Relations Activities

The work of several academicians and practitioners provides a perspective to evaluate the effectiveness of the public relations activity of the First National Bank. The criteria include standards that management expects a public relations function to meet and minimum results management hopes to gain from an investment in public relations staffing and activity.

Harold Steiglitz and Allan Janger outlined four functions they discerned to be the most common carried out by a public relations unit (10, p. 92). It was determined that an effective public relations department would meet at least three of the four criteria.

The bank's public relations activity meets all four: (a) The staff prepares news releases and publications that go

outside the company; (b) the staff is involved in special company exhibits and publicity programs; (c) the staff maintains sufficient contact with the news media, and (d) both the staff and the bank's officers are involved in building and maintaining good relationships with various groups whose perceptions of and influence on the bank are of concern to the bank's management.

Robert G. Howard, in Bank Public Relations and Marketing, offered five criteria for effective banking public relations and marketing (7, p. 138). It was determined that the First National's efforts should satisfy at least four of these.

The bank is adequate in that it meets the following criteria: (a) The public relations effort, as part of the annual marketing plan, is determined by bank management in light of the bank's profit objectives; (b) the bank's public relations and marketing efforts are aimed at ensuring the continued existence of the bank at a profit; (c) the bank market services staff has defined each of the publics interested in, or to be influenced by, the bank's operations; (d) public relations and marketing activities are translated into operating procedures that are exercised by the bank's administrative personnel.

The bank meets all but Howard's fifth criterion: Although there is a quarterly review of the progress of the bank's marketing plan, there is insufficient review to determine the effectiveness of the bank's public relations activity.

Archie K. Davis outlined what management expects of the marketing function in addressing banking public relations (6).

It was determined that the bank should meet four of his five criteria; the First National Bank is adequate in that it meets the four criteria: (a) The market services staff has a strong orientation toward customers and their needs, especially as evidenced by the twice-yearly market research the bank conducts into customer attitudes toward bank services; (b) the market services and public relations staffs have a professional approach to programs and activities; (c) the marketing plan appears to be well integrated with public relations, advertising and sales promotion activities, and (d) there is a "pioneer" attitude toward the bank's public relations and advertising (the First National's 1979-80 advertising campaign featured a series of "firsts" that have taken place in Fort Worth in both culture and commerce and, by extrapolation, the bank's role in supporting and financing innovation).

The bank does not fully meet Davis's fifth criterion of measuring effectiveness. This relates to a lack of public relations goals and philosophies, as well as to a means of measuring effectiveness on the part of the market services staff.

H. Frazier Moore and Bertrand Canfield outlined fifteen public relations objectives intended to integrate a company into its community (9, pp. 300-302). It was determined that the bank should meet at least twelve of these to be considered

adequate in this area.

The First National meets the following twelve criteria:

(a) The bank has established itself as an important factor in community life through the participation of its employees in civic and community affairs and through monetary contributions to worthwhile organizations; (b) the bank takes steps, through periodic research, to discern what the community thinks of its business practices; (c) the bank cooperates with chambers of commerce and other business organizations in promoting tourism and industrial potential of the Fort Worth area; (d) the bank cooperates with schools and colleges by providing educational materials for their use (the bank underwrites a news digest film series for the Fort Worth public schools); (e) the bank provides cultural leadership by encouraging participation in the arts through both the activity of its people and through gifts to worthwhile organizations; (f) the bank has a century-old reputation for financial support of ranching and farming (the bank has had strong ties to the ranching community since its inception); (g) the bank participates in support of community health through its gifts to such causes as the United Way fund drive; (h) the bank promotes better understanding of economic and political affairs through occasional sponsorship of speakers and through discussion groups, as well as through speakers from its own in-house speakers bureau; (i) the bank cooperates with other business organizations to promote understanding of business and the economic system; (j) the partici-

pation of the bank's people in various cultural and civic programs, plus its contributions program shows the city that the bank is a good citizen of the community; (k) the bank strives to maintain harmonious relationships with community leaders through the participation of its employees in various civic and cultural organizations, and (l) the bank works to create a business climate conducive to the encouragement of business in the Fort Worth area.

The bank does not meet the Moore and Canfield criteria in three areas: (a) Because the bank operates in a good economic climate it has been fortunate in not having been in the position of having to answer criticism and repel attacks by pressure groups misinformed about the company and the banking industry; (b) the bank does not support sports and recreational activities directly by providing facilities and equipment and sponsoring events for the community (although it does contribute indirectly by virtue of its charitable contributions), and (c) the bank does not contribute directly to programs to combat juvenile delinquency and to gain the goodwill of young people in the community (although it does contribute indirectly by virtue of its charitable contributions).

The bank, overall, meets twelve of fifteen criteria and is judged adequate in integrating itself within the Fort Worth community.

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CHAPTER IV

SUMMARY AND CONCLUSION

Summary

This study sought to answer several questions about the public relations practices of the First National Bank of Fort Worth.

The first question asked whether the bank had public relations goals. The study revealed that the bank's market services department, the department that has responsibility for the bank's public relations activity, has not established formal public relations goals. Instead, goals are set informally: Public relations goals are a part of the bank's annual market plan and not only public relations, but also sales promotion, news media events and institutional advertising may be looked upon as being public relations "goals" by the bank's market services staff. Not establishing formal public relations goals is common in American industry because public relations staffs often find themselves so involved in day-to-day operations and problem solving that they do not have time, and do not bother to form goals that will help them solve long-term problems. They will often come to sense what their company's public relations goals should be. This is the case with the First National Bank of Fort Worth: The bank's goals are strictly informal in nature.

The second question asked by what procedures public relations goals are developed. There is no formal procedure by which the bank market services staff comes together with the bank's senior management to form public relations goals. Instead, the market services staff works with other divisions and departments within the bank during the preparation of the bank's annual marketing plan to formulate public relations, sales promotion, etc.

The third question asked what the role of the bank's senior management was in formulating public relations goals. The study revealed that senior management does not play a direct role in the formulation of public relations, sales promotion or advertising activities. Their role is passive, the role of a gatekeeper. Their role is to tell the market services staff what they do not like, rather than what they want done. As Crenshaw said, the market services staff learns over time what senior management likes and does not like. Campbell noted that senior management will give backing to a favored idea, but seldom becomes the initiator of public relations or sales promotion ideas.

The fourth question asked what role the public relations staff played in the development of public relations goals. There is no role in formal goal-setting for the staff, but it does play a vital role in preparation of the bank's annual marketing plan and in the execution of public relations, sales promotion and advertising activities, all of which are part of

that plan. The public relations staff is a small unit of the market services department (as noted, the terms public relations and market services are used synonymously by the bank staff).

The public relations manager is concerned with various activities on a daily basis, some of them relating to news media relations, some to tours of the bank, some to sales promotion. Although there is no role, either, for the market services staff in public relations goal-setting, the staff plays a major role in the development of the short-term (one year or less) public relations, sales promotion and advertising that become part of the annual marketing plan. Crenshaw stressed, in speaking to this question, that it is the role of the public relations staff to tell management what kind of public relations activity the bank should have, not vice versa.

The fifth question asked what is the public relations philosophy of the First National Bank. As the market services staff has not developed formal public relations goals, so has it not developed a formal public relations philosophy. Crow is guided by a strong sense of what the public relations philosophy of the bank should be: He depends on a sensitivity to the needs of the community and relies on feelings and attitudes he discerns to be those of senior management. But this process does not fully verbalize what an institution's philosophy should be. Both Crenshaw and Campbell have opinions

about the First National's public relations philosophy, each of them equally unofficial: Campbell said the philosophy of the bank is to look good; Crenshaw agreed, saying that one of the goals of the bank is to avoid doing anything the public at large might construe as negative.

The sixth question asked who sets the bank's public relations philosophy. Crow said the philosophical guidelines are set not by one person, but over time, with the person who heads the bank being the guiding spirit behind the bank's public relations philosophy. Management listens to suggestions from the market services staff, and approves or disapproves ideas that indicate its public relations preferences.

The seventh question asked whether the bank conducted research into public attitudes toward the bank or about its primary and secondary audiences, with a view toward using this information to establish public relations goals and programs. The bank conducts market research twice a year, but it is demographic in nature and is directed toward learning about customer attitudes toward bank services and such things as "friendliness." Campbell looks at this research for her own information, but the data are not used to establish public relations goals or programs formally.

The eighth and ninth questions asked, respectively, who the bank's primary public relations audiences were and who the bank's secondary public relations audiences were. Crow hesitated to name any secondary audiences. This may reflect

more his conservative nature as a member of the banking community, that it does reality. The bank, of course, has primary and secondary audiences, as does any large business organization. Campbell said the primary audiences were employees and current customers. Perhaps the establishment of goals would help the market services staff better define the bank's public relations audiences.

Question ten asked what unique problems the bank faced by virtue of the nature of its business. Crow answered that the problem of contributions was unique; Campbell said the problem of the bank's identity was unique. The contributions problem is one with which Crow is familiar because of his management position; the second problem is one Campbell recognizes because of her specific responsibilities. The second problem is one that could be solved with public relations activity and sales promotion efforts directed toward distinct audiences. Perhaps a lack of public relations goals is the reason for the problem discerned by Campbell.

Question eleven asked what criteria the bank had established to measure the effectiveness of its public relations programs, and question twelve asked what those criteria were. The answer is that the market services department staff has not established any formal criteria to measure the effectiveness of its public relations activity. Crow uses a traditional approach to provide a crude measurement of effectiveness: the number of clips run in newspapers over a period

of time and the staff's monthly activity reports. Crenshaw and Campbell have no criteria of this nature, but rely on intuitive feelings to tell them how effective the bank's public relations activities have been. This lack of formal criteria hurts the bank's measurement of effectiveness.

Question thirteen asked what department evaluated the effectiveness of the bank's public relations activities. The answer is that the little evaluation that takes place is conducted within the market services department by Crow, Crenshaw and, to a lesser degree, Campbell. As with criteria, their measurements and evaluations can be only informal at best. Senior management plays a minor role in evaluation, in that the market services staff learns over time what management does and does not like as part of the bank's public relations activity.

Conclusions

The First National Bank has been in business since 1877. It prospered in a traditional banking environment without the help of a formal public relations department. The bank formed a public relations department in 1948 and has prospered since then as well.

This study's conclusion is that the First National Bank is typical of most large banks who include "public relations" under the market services department and who look upon a variety of activities as "public relations": advertising, cocktail parties, sales promotions, publications to investors, media

events, etc. Public relations is a stepchild of the bank's management, which has allowed the market services department to conduct it without setting formal goals, philosophies or criteria to measure how effective it is. Overall, despite a lack of goals, philosophy and criteria to measure effectiveness, the bank's public relations activities may be determined to be fairly effective. This conclusion is based on observing the activity not only of the First National, but also of its two large competitors, the Fort Worth National Bank and the Continental National Bank of Fort Worth. First National appears to have a positive image in the community and it is thought of at least as highly as its major competition.

Recommendations

Because of the role and the importance of the marketing function at a large bank, it may be impossible to separate clearly public relations functions from marketing-sales promotion-advertising functions. The four are closely related in all the bank's activities. Suggestions, therefore, are intended to make the public relations function at the First National Bank not only more distinctive, but also more effective.

The following recommendations are made:

1. Establish public relations goals, both short-term and long-term. These should be goals the bank market services staff can look to in formulation not only of near-term activity for the marketing plan, but also to guide it in all its public

relations activity. These goals should be formally stated and distributed among the market services staff. They should be reviewed periodically and updated as appropriate.

2. Establish a banking public relations policy. The market services staff is guided only by intuition now. A better method would be to have a formal policy that would serve as guidance. The establishment of this policy could be the result of a mutual brainstorm among the staff and ideally might include the active participation of the bank's entire market services staff, as well as senior management.

3. Establish a set of criteria to measure the effectiveness of the bank's public relations activity. These criteria should be prepared with the participation of the bank's entire market services staff, as well as senior management. Having criteria by which to measure, and implementing this measurement periodically, would go a long way toward giving direction to the public relations manager and would alleviate feelings of frustration about the value of public relations activity, not only among members of the market services staff, but also possibly among senior management of the bank.

Recommendations for Further Study

This is only the second study of banking public relations, and the area is, admittedly, one of limited interest. However, there may be value in expanding the scope of this study, i.e., an examination of the public relations activities and the structure of the market services departments of the larger

banks in Texas (especially including the Houston and Dallas markets) to determine which banks have the most effective structures, most effective means for measuring public relations activity, etc. Future studies might survey the attitudes of business editors toward banking public relations efforts, the credentials of those who practice banking public relations, etc.

More sophisticated studies would prove valuable to larger banks in the future structure and management of their public relations activities and programs.

Appendix A
Questionnaire

I. Public Relations

Name _____

Age ____ Sex ____ Marital status _____

Present position (title) _____

Length of time in present position _____

Length of time at bank _____

Position before joining bank _____

Did position involve work with a bank or bank client?

Yes ____ No ____ If yes, in what capacity? _____

Person to whom you report (name and title) _____

Your education (college, degree, year) _____

Additional education (seminars, workshops, etc.) _____

Military service (branch, rank upon discharge, years of active/reserve service, commendations) _____

Have you ever held office in government? Yes ____ No ____

Elective ____ Appointive ____

Nature of office _____

City _____ Dates of service _____

I. Public relations (cont.)

Professional memberships (please include banking, public relations and advertising/marketing organizations)

Appendix A

Questionnaire

II. Organization of the public relations department

Please define the areas of operation and responsibility within the public relations are (i.e., press relations, school relations, community relations, etc.), the name of the person responsible for each area and give a brief description of the duties of each of these persons.

Area _____ Name _____

Description of duties _____

Area _____ Name _____

Description of duties _____

Area _____ Name _____

Description of duties _____

Appendix B

Interview Schedule

1. What are the public relations goals of the First National Bank?
2. By what procedures are public relations goals developed?
3. What role does the bank's senior management play in formulating these goals?
4. What role does the bank's public relations staff play?
5. What is the public relations philosophy of the First National Bank?
6. Who sets it?
7. Does the bank conduct research into public attitudes toward the bank, or research about its primary and secondary audiences, before establishing its public relations goals and programs?
8. Who are the bank's primary public relations audiences?
9. Who are the bank's secondary public relations audiences?
10. What public relations problems does the First National Bank have that are unique?
11. Has the bank's public relations department established criteria by which it measures the effectiveness of its public relations programs?
12. What are these criteria?
13. What office (department) evaluates the effectiveness of the bank's public relations programs?

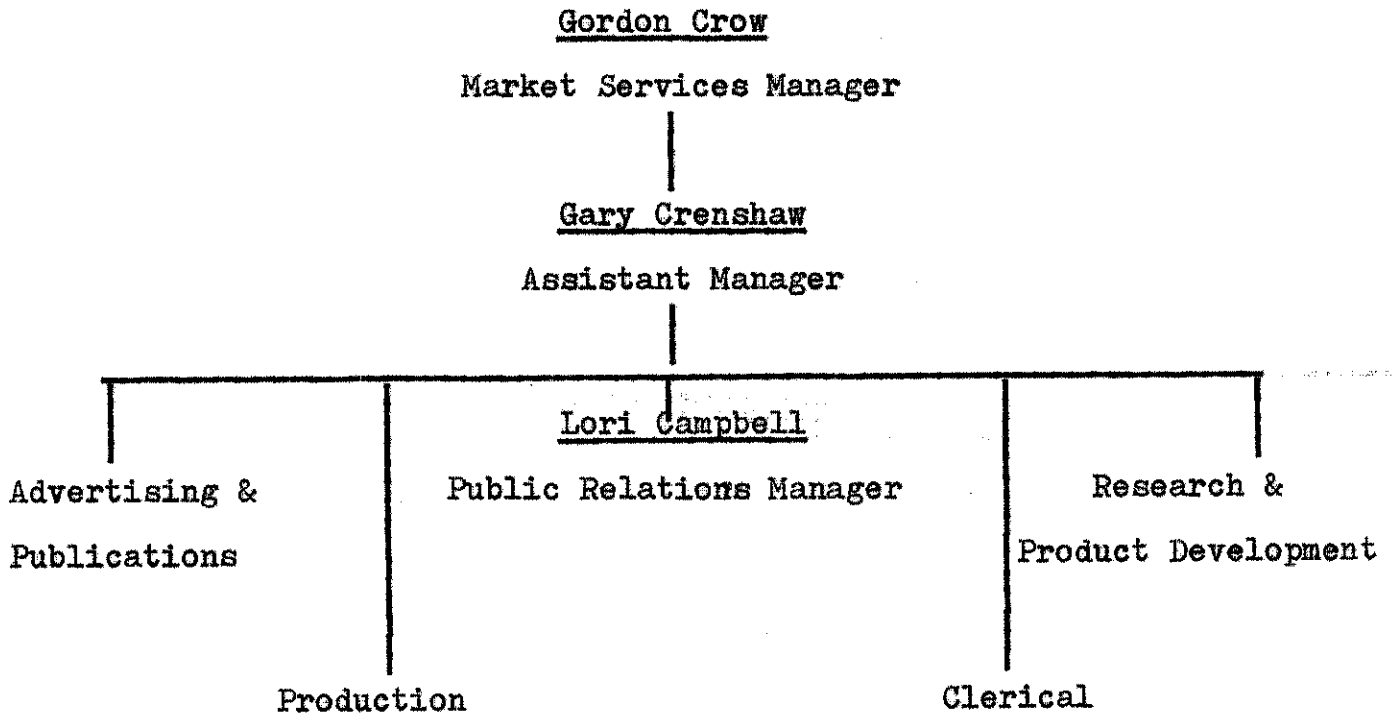
Appendix B

Interview Schedule

14. Describe the organization of the bank's public relations department, especially areas of responsibility.

Appendix C

Market Services Department Organization



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