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# Utilisation of AI Chatbot, Leo as a Digital Public Relations Strategy among UBA Customers in South-east, Nigeria

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## ABSTRACT

In the banking sector, AI-driven Public Relations (PR) strategies have gained prominence, with financial institutions leveraging chatbots, such as UBA's Leo, to provide seamless customer interactions, promote services, and handle inquiries efficiently. The integration of AI in PR reflects the evolving landscape of corporate communication, where technology plays a crucial role in maintaining brand reputation, fostering customer trust, and enhancing overall engagement. In Nigeria, the United Bank for Africa (UBA) pioneered the use of AI chatbot in providing customer services, positioning itself as a leader in digital banking transformation. Examining the performance and utilisation of this new technology among UBA customers is essential. This study therefore, examined the utilisation of AI chatbot Leo as a digital PR strategy among UBA customers in south-east, Nigeria. The study was guided by two objectives. The study adopted mixed-methods approach that involved both quantitative and qualitative methods. The population of the study was 1,002,070 UBA customers across the 58 branches in south-east, Nigeria. A sample of 400 customers was drawn from the population for quantitative study while, 12 respondents participated in the in-depth interviews. The structured questionnaire and unstructured interview schedule were used for data collection. The study found among other things, low level of utilisation of AI chatbot among UBA customers in south-east Nigeria. Based on the findings, it was recommended among others, that UBA should conduct customer education programs, including online tutorials, live demonstrations, and interactive sessions at bank branches, to familiarise customers with the features and benefits of AI chatbots.

**Key Words:** AI chatbot Leo, Customers, Digital PR Strategy, UBA, Utilisation

## INTRODUCTION

Digital Public Relations (PR) integrates traditional PR strategies with the advantages of digital technologies, allowing organisations to interact with their publics more effectively. One of the emerging digital PR strategies is the integration of Artificial Intelligence (AI) in customer service and brand communication. AI-powered tools, such as chatbots, virtual assistants, and automated content generators, have transformed the way organizations interact with their publics by providing instant, personalised, and data-driven responses (Kaplan &Haenlein, 2019). AI-driven PR solutions enable brands to anticipate customer needs, tailor communication strategies, and manage crisis situations efficiently.

In the banking sector, AI-driven PR strategies have gained prominence globally, with financial institutions leveraging chatbots, to provide seamless customer interactions, promote services, and handle inquiries efficiently. The integration of AI in PR reflects the evolving landscape of corporate communication, where technology plays a crucial role in maintaining brand reputation, fostering customer trust, and enhancing overall engagement. In Nigeria, the United Bank for Africa (UBA) pioneered the use of AI chatbot in providing customer services, positioning itself as a leader in digital banking transformation. The UBA's AI chatbot, known as Leo, was introduced in January, 2018 to simplify financial transactions and improve customer engagement. Leo chatbot operates across multiple platforms, including Facebook Messenger, WhatsApp, Instagram, and Apple Business Chat, allowing customers to perform banking transactions seamlessly from their preferred social media platforms. Through AI-driven natural language processing (NLP), Leo chatbot understands customer

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queries, facilitates transactions such as money transfers and bill payments, and provides real-time assistance on banking services. The chatbot also enhances security by enabling biometric authentication and personalised interactions based on previous customer behaviours (Larzo & Ebardo, 2023). Since its launch, Leo chatbot has been providing customer service delivery by offering 24/7 availability. The ultimate goal is to reduce reliance on human customer service representatives, and ensure that UBA customers enjoy a seamless digital banking experience.

It remains unclear whether UBA customers effectively Utilise the Leo chatbot to their advantage. In many cases, customers still wait outside the banking halls due to overcrowding, with tellers and service personnel struggling to attend to a large number of inquiries. Some customers even spend hours waiting for their turn, leading to a significant loss of productive man-hours. The persistence of these long queues raises critical questions about the adoption and utilisation of AI chatbot, Leo. Since UBA appears to be the first to introduce the use of AI chatbot with its customers and have spent about seven years in this exercise, it becomes crucial to interrogate any changes since this introduction within the customers of UBA, to understand the extent of utilisation and benefits derived within and possible obstacles if any, to its efficiency and maximisation by customers. However, within the scope of this study, the emphasis is on determining the extent of customer utilisation of the Leo AI chatbot and the various ways in which customers engage with it. Therefore, the main objective of the study was to find out the UBA customers' extent of utilisation of AI chatbot Leo as digital PR strategy in south-east, Nigeria. Specifically, the study determined:

1. Frequency of use of AI chatbot Leo, by UBA customers in south-east Nigeria

2. Areas of utilisation of AI chatbot Leo, by UBA customers in south-east Nigeria

**AI Chatbot Use**

Empirical studies on AI chatbot use in banking and related sectors present mixed but converging themes around service quality, utilisation, user perception, and contextual limitations. Nalini and Radhakrishnan (2022), in a study on customer satisfaction with banking chatbots, identified service expectation as the strongest predictor of overall satisfaction with chatbot service quality. While instructive, the study was conducted outside Nigeria and may not fully capture the experiences of UBA customers in south-east Nigeria.

Other studies, including Harrison and Lopez (2023), Kang et al. (2023), and Goli et al. (2023), reported effective utilisation of AI chatbots, emphasising their operational efficiency and customer support functions. Conversely, Bansal et al. (2024) highlighted critical barriers to widespread adoption of banking chatbots, notably the lack of human touch, audibility, and transparency in AI systems. In contrast, Makudza et al. (2024) found that AI chatbots enhance customers' banking experiences by delivering improved service quality. These studies, however, were undertaken in contexts different from UBA and outside south-east Nigeria.

Focusing on customer perception, Paulmurugan and Nagashree (2024) examined users of AI chatbots in selected public and private sector banks in Bangalore, India. Their findings revealed that customer perception is shaped by usage-related factors, perceived challenges, satisfaction, and awareness of chatbot services. Although insightful, the geographical and institutional context differs from that of UBA in Nigeria.

Beyond banking, Anani-Bossman et al. (2024) investigated AI adoption in public relations and communication management among Ghanaian professionals. The study revealed limited practical understanding of AI despite general awareness, alongside optimistic views about AI's impact and minimal concern about associated risks. While relevant to AI adoption discourse, the study was conducted in Ghana and not within the Nigerian banking sector. Similarly, Schei et al. (2024), in a systematic review of studies on students' use of AI chatbots in higher education, found that chatbots were perceived as useful and motivating, particularly for academic support. However, the focus of this review was education rather than banking.

In the Nigerian context, Samuel and Okpoko (2024), in their study titled "Evaluation of Chatbot-Mediated Communication on Audience Relationship and Patronage of Nigerian Banks: A Study of UBA," examined the influence of the UBA Leo chatbot on customer relationship and patronage. Their findings indicated that Leo chatbot significantly enhances customer relationships and patronage. Although closely related to the present

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study and conducted within UBA, the study did not specifically examine the level of utilisation of the Leo chatbot among UBA customers in south-east Nigeria, which the present study seeks to address.

Overall, while existing studies provide valuable insights into AI chatbot utilisation, perception, and challenges, most were conducted outside Nigeria or focused on contexts other than UBA in south-east Nigeria, thereby justifying the need for the present study.

**Literature Gap**

From the literature reviewed, no significant studies have examined whether UBA's specific branding and PR strategies particularly the introduction of the Leo AI chatbot have influenced customer utilisation and acceptance. Literature often treats banking chatbots generically, without examining how individual banks' reputations and communication strategies impact utilisation rates. By focusing on UBA in south-east Nigeria, the research addresses underexplored regional and institutional contexts. Additionally, the study incorporates a customer-centric approach to evaluate utilisation, and specific factors affecting adoption. These contributions aim to bridge theoretical and practical gaps in the current understanding of AI chatbots as a digital PR strategy in banking. These gaps underscore the need for targeted research to address regional, demographic, experiential, and institutional factors unique to UBA customers in south-east Nigeria. The identified gaps in literature provide a strong rationale for the present study. By bridging these gaps, future studies can provide actionable insights for enhancing AI chatbot adoption and optimising customer experiences.

**Theoretical Framework**

The Diffusion of Innovations (DOI) theory, propounded by Everett M. Rogers in Diffusion of Innovations (1962), provides a robust framework for explaining how new technologies are adopted within a social system. The theory explains how, why, and at what rate innovations spread and identifies four core elements that shape the diffusion process: the innovation itself, communication channels, time, and the social system. These elements are useful in interpreting the findings of this study on the utilisation of the Leo AI chatbot as a digital public relations strategy among UBA customers in south-east Nigeria.

**Innovation (Attributes of Leo Chatbot)**

According to Rogers, the rate of adoption of an innovation is influenced by perceived attributes such as relative advantage, compatibility, complexity, trialability, and observability. Findings of this study suggest that although Leo chatbot offers clear relative advantages, such as 24/7 availability, speed of response, and ease of access to banking information, many customers perceive the chatbot as complex or less compatible with their expectations of personalised, human-centred customer relations. This perceived complexity and low compatibility with cultural preferences for face-to-face interaction help explain the moderate to low level of utilisation recorded among some UBA customers.

**Communication Channels**

DOI emphasises that innovations are diffused through communication channels over time. The findings indicate that inadequate awareness and limited customer education about Leo's functions constrained its utilisation. While UBA employs digital platforms to promote Leo, the study suggests that these channels may not be sufficiently interactive or persuasive to encourage sustained use. The absence of targeted public relations messaging explaining how Leo chatbot can effectively resolve customer issues may have slowed its diffusion among customers in south-east Nigeria.

**Time (Adoption Process)**

Rogers explains adoption as a process that unfolds through stages-knowledge, persuasion, decision, implementation, and confirmation. The study findings reveal that many customers remain at the knowledge or persuasion stages, having heard about Leo but not fully integrating it into their routine banking interactions. This indicates that the innovation has not yet reached widespread confirmation or habitual use, thereby limiting overall utilisation levels.

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**Social System**

The social system within which an innovation is introduced significantly affects adoption. The findings show that social and cultural factors, including trust in technology, prior experiences with digital banking platforms, and reliance on interpersonal communication, shape customers' willingness to use Leo chatbot. In south-east Nigeria, strong preference for human interaction in service delivery and scepticism toward automated systems reduce the rate at which Leo chatbot is accepted as a public relations interface.

In summary, the DOI theory effectively explains the study's findings by showing that the utilisation of Leo as a digital public relations strategy is influenced by customers' perceptions of the innovation, the effectiveness of communication channels, the stage of adoption over time, and the prevailing social and cultural context. These factors collectively account for the observed utilisation pattern of the Leo chatbot among UBA customers in south-east Nigeria.

# METHODOLOGY

This study adopted a mixed-methods research design, which is suitable for collecting detailed information on customer awareness and utilisation of Artificial Intelligence (AI) chatbots as a digital PR strategy in the banking sector. The quantitative design involves descriptive survey while the qualitative design involves in-depth interviews of key informants. The area of the study was south-east, Nigeria, one of the six geo-political regions in Nigeria. The population for this study consisted of 1,002,070 United Bank for Africa (UBA) customers across the 58 branches in south-east Nigeria. The sample for the survey comprised 400 respondents, while the in-depth interviews involved 12 participants.

A multistage sampling technique was employed to select the survey sample. The stratified random sampling technique divides the population into strata based on clusters, namely Aba, Enugu, and Onitsha. Each cluster constitutes a stratum. To ensure equal representation, a proportionate sample was selected from each cluster based on the customer base. Within each stratum, convenience sampling was used to select participants. For the in-depth interviews, customers from the three clusters were proportionately distributed based on the size of the customer base in each stratum. Within each stratum, convenience sampling was used to select participants.

The primary instrument for survey data collection was a structured questionnaire with sections addressing the following measurable variables: frequency of use and utilisation patterns. The in-depth interview guide was employed for qualitative data collection which explored customers' preferences and areas of utilisation of AI chatbot Leo. Data collected with the survey instrument were tested using Cronbach Alpha statistics. Furthermore, inter-rater reliability was used in analysing interview data. Quantitative data were analysed using descriptive statistics and the qualitative data analysed using narrative analysis.

# RESULTS

The results of the study are hereby presented below:

**Research Objective One: Frequency of use of AI chatbot Leo by UBA customers in South East**

**Table 1: Frequency and Preferred Banking Channel**

| | | | | |
|---|---|---|---|---|
| 1 | Frequency of Bank Visit | Rarely | 85 | 24% |
| | | Occasionally | 145 | 40% |
| | | Frequently | 132 | 36% |
| | | **Total** | **N=362** | **100%** |
| 2 | Preferred | Physical Branches | 110 | 30% |

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| | | | | |
|---|---|---|---|---|
| | Banking Channel | Mobile Banking Apps | 170 | 47% |
| | | Leo (AI Chatbot) | 82 | 23% |
| | | **Total** | **362** | **100%** |

Source: Field Survey, 2025

Regarding bank visitation habits, 40% visited occasionally, 36% frequently, and 24% rarely, reflecting varied banking engagement patterns. Preferred banking channels were led by mobile apps(47%) reflecting a strong inclination toward app-based digital transactions. Physical branches follow, preferred by 30% of customers, demonstrating that traditional in-person banking still holds significant relevance. In contrast, the Leo chatbot ranks lowest, with only 23% usage, indicating relatively low adoption despite its availability.

**Table 2: Chi-Square Goodness-of-Fit Test for Preferred Banking Channel among UBA Customers**

| **Banking Channel** | **Observed Frequency (O)** | **Expected Frequency (E)** | **$\chi^2$ Contribution** |
|---|---|---|---|
| Physical Branches | 110 | 120.67 | 0.94 |
| Mobile Banking Apps | 170 | 120.67 | 20.16 |
| Leo (AI Chatbot) | 82 | 120.67 | 12.38 |
| Total $\chi^2$ | | | 33.48 |

Note. N = 362. Expected frequencies were computed assuming equal preference across banking channels. $\chi^2(2) = 33.48$, $p < .05$.

The chi-square goodness-of-fit test shows a statistically significant difference in customers' preferred banking channels ($\chi^2 = 33.48$, df = 2, $p < 0.05$). This indicates that UBA customers in south-east Nigeria significantly prefer some banking channels over others, with mobile banking apps being the most preferred and the Leo AI chatbot being the least preferred.

**Table 3: Frequency of Utilisation of Leo Chatbot**

| **I use Leo** | **Frequency** | **Percent** |
|---|---|---|
| Regularly | 60 | 17% |
| Minimally | 37 | 11% |
| Moderately | 64 | 18% |
| Null | 201 | 56% |
| Total | 362 | 100% |

Source: Field Survey, 2025

Data indicate how frequently respondents use Leo chatbot, categorized into 'Regularly', 'Minimally', 'Moderately' and 'Null' usage. Null is the most common usage frequency, accounting for 56% (201 out of 362) of users. This suggests that the majority of users never engage with Leo chatbot. Moderately and Regularly usage are less common, with 18% (64 out of 362) and 17 % (60 out of 362) respectively. The percentages for 'Moderately' and 'Regularly' are quite similar, indicating that a smaller, roughly equal portion of customers engage with Leo

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chatbot in these ways. However, 37 or 11% used it minimally. In summary, the combined percentage of null and minimal usage which is 66% shows that Leo chatbot is barely used by the majority of customers, with a significantly smaller proportion using it regularly or moderately.

**Table 4: Chi-Square Goodness-of-Fit Test for Frequency of Utilisation of Leo Chatbot among UBA Customers**

| Utilisation Level | Observed Frequency (O) | Expected Frequency (E) | $\chi^2$ Contribution |
|---|---|---|---|
| Regularly | 60 | 90.50 | 10.28 |
| Minimally | 37 | 90.50 | 31.64 |
| Moderately | 64 | 90.50 | 7.76 |
| Null | 201 | 90.50 | 134.99 |
| Total $\chi^2$ | | | 184.67 |

Note. N = 362. Expected frequencies were computed assuming equal utilisation across categories. $\chi^2(3) = 184.67$, $p < .05$.

The chi-square goodness-of-fit test revealed a statistically significant difference in the frequency of utilisation of the Leo chatbot among UBA customers, $\chi^2(3, N = 362) = 184.67$, $p < .05$. This indicates that customers do not utilise the Leo chatbot uniformly across usage levels, with a disproportionately high number of respondents reporting non-use (null utilisation).

**Table 5: Utilisation of Leo Chatbot**

| I use Leo for | Frequency | Percent |
|---|---|---|
| Financial transactions | 25 | 10% |
| Account Balance Inquiries | 120 | 50% |
| To locate bank branches | 42 | 17% |
| To assist me in resolving complaints promptly | 15 | 6% |
| As part of my daily banking routine | 40 | 17% |
| Total | 242 | 100 |

Source: Field Survey, 2025

Data in Table 5 indicate the activities respondents perform with the Leo chatbot. A total of 242 customers responded to the question. Account balance inquiries are the most common activity respondents perform with Leo chatbot with 50% (120 out of 242) utilising it for this purpose. To locate bank branches and as part of daily banking routine are the next most frequent activity accounting for 17% (42 respondents) for both. Financial transactions and to assist in resolving complaints promptly are the least common activities performed with Leo chatbot. Only 10% (25 respondents) use it for financial transactions, and 6% (15 respondents) use it for complaint resolution. The results from above survey reveal that while mobile banking apps are the most preferred channel among UBA customers in south-east Nigeria, the Leo AI chatbot has low usage, with most users engaging

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minimally or not at all, primarily using it for balance inquiries rather than for transactions or complaint resolution.

The in-depth interviews also highlight participants' preference for using the Leo chatbot over other banking channels, as well as the frequency of its use. The participants' responses, as captured below, provide the details.

**Table 6: Chi-Square Goodness-of-Fit Test for Purpose of Utilising Leo Chatbot among UBA Customers**

| Purpose of Use | Observed Frequency (O) | Expected Frequency (E) | $\chi^2$ Contribution |
|---|---|---|---|
| Financial transactions | 25 | 48.40 | 11.31 |
| Account balance inquiries | 120 | 48.40 | 105.90 |
| Locating bank branches | 42 | 48.40 | 0.85 |
| Resolving complaints promptly | 15 | 48.40 | 23.06 |
| Part of daily banking routine | | | 1.46 |
| Total $\chi^2$ | 40 | 48.40 | 142.58 |

Note. N = 242. Expected frequencies were computed assuming equal utilisation across the five purposes. $\chi^2(4) = 142.58$, $p < .05$.

The chi-square goodness-of-fit test revealed a statistically significant difference in the purposes for which customers utilise the Leo chatbot, $\chi^2(4, N = 242) = 142.58$, $p < .05$. This indicates that customers do not use Leo uniformly across service functions. Account balance inquiries dominate usage, while transactional services and complaint resolution are least utilised, suggesting limited adoption of Leo as a comprehensive digital public relations and service platform.

**Preference for Leo Chatbot Usage over Other Banking Channels**

There was a strong preference for traditional and other banking channels over Leo chatbot. Many respondents preferred mobile banking apps or in-person visits due to familiarity, reliability, and trust.

**One interviewee explained: (Onitsha cluster)** "I don't mind using UBA Leo for minor things, but if I have an issue with my account, I prefer going to the bank. Using Leo feels too limited. I'm more comfortable using the app or speaking to someone who can understand exactly what I need."

**Another stated: (Aba cluster)** "Leo is okay, but I feel more secured using the mobile app or going directly to the bank for anything important. I would rather use the UBA mobile app because I feel more in control of my transactions."

**An interviewee noted: (Onitsha cluster)** "I use Leo, but when I had a real issue, it didn't help. I had to go to the bank to get it resolved properly. For serious transactions or account issues, I don't take chances. I prefer to talk to a customer service agent or visit the branch."

These responses reflect a strong preference for human interaction and established banking platforms due to trust, perceived security, and more reliable problem resolution.

**Frequency of Usage of the Leo Chatbot**

Most respondents who had used the Leo chatbot did so infrequently. A few used it occasionally for basic inquiries, while others tried it once and never returned. A minority of respondents, particularly those who were tech-savvy, reported using it more frequently for quick banking needs.

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**One participant said: (Onitsha cluster)** "l used it a few times, but I still prefer using the mobile app or calling customer service."

**Another stated: (Aba cluster)** "I use Leo now and then, mostly to check account balances or ask for simple information like branch locations. It's okay for quick stuff but not something I rely on daily."

**A respondent shared: (Onitsha cluster**) "Leo is helpful when I don't want to log in to the app. I've used it a few times to get mini statements or confirm transfers, but I still prefer human agents for anything more serious."

**Another respondent stated: (Enugu cluster)** "I have used Leo and sometimes out of curiosity. It was slow and didn't give the answer I needed. Sometimes, I would just give up."

**A respondent commented: (Onitsha cluster)** "I use Leo almost daily for quick tasks like checking my balance, confirming transfers, and getting mini statements. It's faster than opening the full banking app, especially when I'm in a hurry."

**Another said: (Aba cluster)** "Leo chatbot is quite handy for basic transactions. As someone who's comfortable with tech, I find it convenient and time-saving for routine banking needs."

The actual usage of Leo chatbot remains low, with majority of respondents engaging with the platform infrequently and primarily for basic tasks such as balance checks and branch inquiries. A significant portion of respondents have limited knowledge of Leo chatbot's full capabilities, often due to insufficient guidance and onboarding support. Dissatisfaction with Leo's functionality, particularly in handling complex issues or complaints, has led many respondents prefer traditional banking channels, such as in-branch visits or the mobile app, citing trust, familiarity, and reliability as key factors. Some respondents also hold misconceptions about Leo chatbot, viewing it solely as a chatting tool rather than a transactional service, which further limits adoption. However, a small group of tech-savvy respondents appreciates Leo's speed and convenience for routine banking tasks. Overall, the data suggests that while Leo has potential, enhancing user education, improving functionality, and building trust are crucial to increasing sustained adoption among UBA customers in the region.

**Research Objective Two**

**Areas of utilisation of AI chatbot Leo by UBA customers in South-east.**

**Table 4: Activities Mostly Done with Leo chatbot**

| Among all the listed activities, which do you use it for mostly? | | **Frequency** | **Percent** |
|---|---|---|---|
| | Financial transactions (e.g., fund transfers, bill payments) | 25 | 10% |
| | Account balance enquiries | 120 | 50% |
| | To locate bank branches | 42 | 17% |
| | To assist me in resolving complaints promptly | 15 | 6% |
| | As part of my daily banking routine | 40 | 17% |
| | To open an account | - | 0% |
| | Total | 242 | 100% |

Source: Field Survey, 2025

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The most frequently used feature of the Leo chatbot is account balance inquiries, representing 50% of total responses. This dominant usage suggests that customers view Leo chatbot as a convenient tool for quick access to their financial status. Other commonly referenced activities include locating bank branches (17%) and using Leo chatbot as part of daily banking routines (17%). Notably, only 10% of respondents use it for financial transactions such as fund transfers or bill payments, while a mere 6% rely on Leo for resolving complaints. This distribution underscores that customers currently engage more with Leo chatbot for basic information needs and simple tasks rather than for advanced or transactional functions. The distribution suggests that AI chatbots are mainly utilised for basic banking inquiries rather than complex transactions or issue resolution, highlighting a potential need for customer education and improved service integration.

**Usage of Leo Chatbot and Specific Services**

The In-depth interviews (IDI) also revealed that among customers who had used the Leo chatbot, the most commonly accessed services were checking account balances.

**One respondent explained**: **(Onitsha cluster)** "I used it to check my balance, but I wasn't sure what else it could do."

**Another stated:(Aba cluster)**"I use Leo now and then, mostly to check account balances or ask for simple information like branch locations. It's okay for quick stuff but not something I rely on daily."

**A respondent shared:(Onitsha cluster)** "Leo is helpful when I don't want to log in to the app. I've used it a few times to get mini statements or confirm transfers, but I still prefer human agents for anything more serious."

**A respondent commented: (Onitsha cluster)** "I use Leo almost daily for quick tasks like checking my balance, confirming transfers, and getting mini statements. It's faster than opening the full banking app, especially when I'm in a hurry."

**One respondent said: (Enugu cluster)** "Leo saves me time. Instead of going to the bank and waiting in line, I just use it to check balances or make simple inquiries."

**Another said: (Onitsha cluster)** "I find Leo very convenient for quick banking. It helps me avoid the stress of standing in queues at the bank."

Interestingly, above excerpts from the in-depth interviews provide qualitative insights that reinforce the survey results. Respondents from varied clusters including Onitsha, Aba, and Enugu consistently reported that they primarily use Leo chatbot to check account balances, corroborating the survey's finding that this function is the most widely used. Overall, both quantitative and qualitative data converge to show that Leo chatbot is predominantly used for quick, low-complexity tasks, primarily balance inquiries, with limited use for more sophisticated services. This indicates a potential need for customer education and enhanced functionality awareness, alongside efforts to build trust in handling complex banking needs through AI.

## DISCUSSION OF FINDINGS

This study uniquely contributes to the literature by providing context-specific, mixed-method evidence on the utilisation of an AI chatbot (Leo) as a digital public relations strategy within a Nigerian commercial banking environment, specifically among UBA customers in south-east Nigeria. Unlike most prior studies conducted in non-African contexts or focused broadly on digital banking tools, this study integrates survey data and in-depth interviews to reveal not only what customers prefer, but why such preferences persist.

The findings show a significantly stronger preference for mobile banking applications and physical branch services over the Leo chatbot. While earlier studies have reported similar preferences for mobile apps due to perceived reliability and transactional control (Oyeniyi et al., 2024), this study extends existing knowledge by demonstrating that preference patterns are deeply embedded in trust, familiarity, and perceived agency, rather than mere access to digital alternatives. The qualitative evidence reveals that customers in South-east Nigeria

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value channels where they feel greater assurance of security, error correction, and human accountability, elements they associate more strongly with mobile apps and in-person banking than with AI chatbots.

A key contribution of this study lies in its explanation of low chatbot preference beyond numerical adoption rates. Whereas prior studies often report low utilisation as a statistical outcome (Fares et al., 2023; Srivastava et al., 2024), this study shows that Leo's limited acceptance is rooted in experiential and emotional concerns, including mistrust of AI decision-making, uncertainty about data security, and perceptions of restricted functionality. These findings reinforce but also localise earlier assertions that customers avoid chatbots when they are perceived as less competent than human agents or difficult to navigate (Fares et al., 2023), particularly in high-stakes financial environments where trust is paramount (Noreen et al., 2023).

Another significant contribution is the study's demonstration that availability does not equate to adoption. Despite the presence of Leo chatbot across UBA's digital ecosystem, utilisation remains low and largely irregular. This aligns with global findings on AI adoption in banking (Chen et al., 2023; Kapoor et al., 2022), but the present study advances the discourse by situating low adoption within local digital confidence levels, customer education gaps, and entrenched service habits. The results show that most users engage with Leo chatbot sporadically, primarily for quick information, rather than as a routine banking or public relations interface. This underscores the finding by Makudza et al. (2024) that chatbot engagement tends to be situational rather than habitual, especially in developing economies.

The study further contributes by revealing that Leo chatbot has not yet transitioned from experimental use to habitual integration among customers. Only a small proportion of respondents reported incorporating Leo chatbot into their daily banking routine. This indicates that Leo chatbot has not achieved the status of a "core banking tool," as conceptualized in digital service adoption literature (Smith & Lee, 2022). The findings suggest that the absence of personalisation, perceived functional limitations, and lack of proactive customer education constrain Leo chatbot's role as a sustained digital public relations channel. This insight provides empirical grounding for Nicolescu and Tudorache's (2022) assertion that trust, incentives, and consistent performance are prerequisites for routine chatbot usage.

Importantly, this study contributes nuanced evidence on how Leo chatbot is used, not merely whether it is used. Account balance inquiry emerged as the dominant function, accounting for half of all reported uses. While this pattern aligns with earlier studies indicating that customers prefer chatbots for low-risk, informational tasks (Alvarez & Garcia, 2023), this study deepens understanding by showing that such usage reflects a strategic trust boundary. Customers consciously restrict Leo to tasks that involve minimal financial risk, thereby avoiding transactions, complaint resolution, and other complex services. This selective utilisation underscores persistent concerns about security, error resolution, and problem-solving capacity (Brown & Adams, 2023; Nguyen & Chen, 2023).

The reluctance to use Leo chatbot for complaint resolution and financial transactions further highlights its limited effectiveness as a full-spectrum public relations tool. Unlike human-assisted channels, Leo chatbot is perceived as lacking empathy, adaptability, and accountability, qualities that are central to effective relationship management in banking. This finding extends prior research by positioning chatbot limitations not only as technical shortcomings but as public relations challenges, where failure to manage customer emotions and expectations weakens relational outcomes.

From a theoretical standpoint, this study makes a distinct contribution by operationalising the Diffusion of Innovations (DOI) theory within the context of AI-driven public relations in banking. The findings indicate that Leo chatbot remains within the early adoption stage, with diffusion constrained by emotional, cultural, and experiential factors rather than infrastructural access alone. The study demonstrates that diffusion is hindered by perceived complexity, low compatibility with customer service norms, and insufficient persuasive communication, thereby reinforcing DOI's assertion that adoption is shaped as much by social meaning as by technological advantage.

In sum, this study contributes uniquely by (1) contextualising AI chatbot adoption within south-east Nigeria, (2) revealing the experiential drivers behind low utilisation through mixed methods, (3) distinguishing informational

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use from transactional trust, and (4) extending DOI theory to explain AI chatbots as relational and public relations technologies rather than mere service tools. These insights provide both theoretical enrichment and practical guidance for banks seeking to reposition AI chatbots as credible, trusted, and routinely used digital public relations platforms.

## CONCLUSION

This study examined the utilisation of AI chatbots as a digital public relations strategy in the banking sector, with specific emphasis on UBA's Leo chatbot among customers in south-east Nigeria. The findings demonstrate that although AI chatbots hold considerable promise for enhancing customer–bank relationships and supporting digital engagement, Leo's effectiveness as a public relations interface remains constrained by low and selective adoption. Customers predominantly use the chatbot for low-risk, informational functions, especially account balance inquiries, while reserving complex transactions and problem resolution for mobile banking applications and traditional, human-assisted channels.

These findings carry important implications for public relations practitioners in the banking sector. First, AI chatbots should not be approached merely as automated service tools but as relationship management platforms. The low utilisation of Leo chatbot reflects gaps in trust, perceived empathy, and responsiveness, core elements of public relations practice. PR professionals must therefore reposition chatbots within broader relationship-building strategies by ensuring consistent messaging about reliability, security, and accountability. Proactive communication campaigns, customer education initiatives, and transparency about chatbot capabilities and limitations are essential to strengthening trust and encouraging adoption.

For digital banking strategists, the study underscores the need to align technological deployment with customer readiness and expectations. The selective use of Leo chatbot indicates that customers are drawing clear boundaries between informational and transactional trust. Digital strategists must respond by enhancing chatbot functionality, improving personalisation, and ensuring seamless integration with human support systems. Hybrid service models, where utilisation handle routine interactions and escalate complex issues to human agents, can improve confidence and reduce perceived risk.

Additionally, the findings suggest that adoption challenges are not solely technical but behavioural and cultural. This implies that investments in AI must be complemented by sustained customer onboarding, usability testing, and localised digital literacy efforts. Without deliberate strategies to guide customers through the innovation adoption process, chatbots are likely to remain underutilised regardless of their technical sophistication.

In conclusion, while AI chatbots such as Leo possess strong potential as digital public relations tools, their success depends on how effectively banks integrate them into trust-building, customer-centred communication strategies. For UBA and similar institutions, advancing chatbot adoption requires a strategic convergence of public relations expertise and digital banking innovation. When thoughtfully implemented, AI chatbots can evolve from peripheral service features into credible, trusted, and routine channels for customer engagement in modern banking.

## RECOMMENDATIONS

Based on the findings of this study, the following recommendations are proposed to enhance the awareness, utilisation, and effectiveness of AI chatbots as a digital PR strategy in the banking sector:

1. UBA should conduct customer education programs, including online tutorials, live demonstrations, and interactive sessions at bank branches, to familiarise users with the features and benefits of AI chatbots.

2. UBA should regularly update the chatbot to integrate contextual understanding, multi-language support, and adaptive learning to enhance efficiency.

3. UBA should strengthen network infrastructure and system reliability to reduce frequent disruptions and technical glitches.

4. The bank should implement reward-based initiatives, such as cashback offers, service fee discounts, or loyalty points for customers who engage with AI chatbots for their banking needs.

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