CRISIS COMMUNICATION AND REPUTATION RECOVERY: A COMPARATIVE STUDY OF GTBANK'S HANDLING OF THE VDM CONTROVERSY VS FIDELITY BANK'S BRAND STRATEGY

BY

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Abstract

In today's banking world, reputation is key. Mishandling crises can destroy trust and cause financial loss. Banks risk millions in losses and up to 25% customer attrition during such events. Thus, effective crisis communication and reputation recovery are essential. This study compares how GTBank and Fidelity Bank in Nigeria managed reputation and communication in crises. GTBank faced criticism in May 2025 over alleged involvement in the arrest of a social media personality, harming its image. Conversely, Fidelity Bank has focused on proactive brand-building, earning awards, and fostering community relations. Using a qualitative comparative case study, this work examines timelines, messaging, openness, and stakeholder relations. Data comes from press releases, media, and brand values. The analysis relies on Situational Crisis Communication Theory and brand equity principles. Results show GTBank's fact-driven, legal approach provided limited relief as it lacked emotional connection, while Fidelity's established reputation aided its crisis management. Findings suggest that a mix of communication, proactive brand strategies, and stakeholder engagement best protects reputation over time.

Keywords: Crisis Communication, Reputation Management, GTBank, Fidelity Bank, Nigerian Banking Sector, Brand Equity, Stakeholder Engagement

1. Introduction

Brand reputation matters a lot in banking. It affects what customers think, what investors do, and how regulators see the bank (Fombrun, 1996; Helm, 2011). In places like Nigeria, where there is competition, widespread social media use, and people care about how banks operate, reputation is even more important. If something bad happens to a bank's reputation, it can quickly lose customers, especially with the speed at which news spreads online (Kaplan & Haenlein, 2010).

In May 2025, Guaranty Trust Bank (GTBank) encountered a reputation problem; social media posts said they were involved in the arrest of VeryDarkMan (VDM). Even though GTBank said it was not true and presented CCTV footage, there was still significant negative online chatter (Media Intelligence Report, 2025).

On the other hand, Fidelity Bank has been working to build a good brand for the past five years through marketing, community work, and new products. This has helped them increase their brand value and get customers involved (Brand Finance, 2024).

Both banks operate within the same environment but exhibit contrasting communication strategies. One bank reacts to events as they occur, while the other focuses on proactive planning. This study aims to explore these divergent cases through the lens of crisis communication theory, specifically Situational Crisis Communication Theory (SCCT) (Coombs, 2007), and brand equity models (Aaker, 1991; Keller, 2008). Previous studies in Nigeria have often overlooked the impact of proactive branding on reputation management, particularly in high-stakes environments. Thus, a clearer understanding of this issue forms the research gap that our study seeks to address. The main question we aim to answer is: How do differing communication approaches, whether reactive or proactive, influence a bank's reputation in Nigeria?

2. Literature Review

2.1 Crisis Communication and Situational Crisis Communication Theory

Crisis communication is about handling information carefully when a company is in trouble. The goal is to protect stakeholders and keep the company's reputation good (Coombs, 2015). Situational Crisis Communication Theory says that the best way to respond to a crisis depends on what kind of crisis it is (victim, accidental, preventable) and how much responsibility the company has (Coombs, 2007). If the company is very responsible, it should apologize and fix the problem. If it is not very responsible, it can deny or downplay the situation.

Situational Crisis Communication Theory says it is important to respond in a way that stakeholders expect. If the response does not match what people expect, it can make the reputation worse (Avery et al., 2010). The theory also says that a company's past reputation matters. If it has a good reputation, people might give it the benefit of the doubt. If it has a bad reputation, people might judge it more harshly (Coombs & Holladay, 2006).

2.2 Brand Equity and Reputation

Brand equity is the extra value that a brand name adds to a product or service (Aaker, 1991). Keller (2008) says it is about what people know about the brand—awareness and associations—that affect how they react. Good brand equity helps companies handle crises better (Dutta & Pullig, 2011).

Corporate reputation is similar but broader. It includes how people see the company in terms of being reliable, trustworthy, and socially responsible (Fombrun, 1996). Both ideas say that reputation is built over time through consistent actions, good communication, and positive experiences for stakeholders (Helm, 2011).

2.3 Crisis Communication in African Banking

Research on African banks shows that they face unique challenges in handling crises, including low trust, lots of misinformation on social media, and regulatory attention (Ojo, 2019). Studies in Nigeria (Adebayo & Oyetunji, 2021) show how quickly rumors can spread, often thanks to influencers and unofficial news sources. In these situations, good crisis communication needs to involve legal, operational, and relational strategies (Ojo, 2019).

2.4 Integrating Proactive and Reactive Strategies

While crisis communication often focuses on reacting to problems, experts say it is better to combine ongoing reputation-building with being ready for a crisis (Frandsen & Johansen, 2017). Being proactive, like doing corporate social responsibility (CSR) and customer engagement programs, not only builds the brand but also creates reputation insurance (Godfrey, 2005).

3. Methodology

3.1 Research Design

This study uses a qualitative comparative case study (Yin, 2018) to look closely at two banks in Nigeria that have different communication strategies.

3.2 Data Collection

The study used data such as:

- Official press releases from GTBank and Fidelity Bank
- News coverage from Nigerian news sources
- Social media reports from media companies
- Annual reports and investor presentations
- Brand rankings

3.3 Analytical Framework

The data was sorted into five areas:

- Readiness

- Speed
- Tone
- Openness and evidence
- Communication channels.

Situational Crisis Communication Theory categories (deny, diminish, rebuild) were used to describe GTBank's responses to the crisis. Brand equity factors (awareness, associations, quality) were used to analyze Fidelity Bank.

3.4 Limitations

This study only uses public data. It does not have information about internal decisions, customer surveys, or detailed social media analysis. Also, it cannot definitively prove that a communication strategy causes certain business outcomes.

4. Case Study: GTBank and the VDM Controversy

4.1 Background

In May 2025, VeryDarkMan was reportedly arrested, which caused a stir on social media. Posts said that GTBank staff and property were involved in the arrest. Soon, hashtags linking GTBank to the incident were trending on Nigerian Twitter (now X), with influencers spreading the story.

4.2 GTBank's Response

GTBank issued a statement saying they had nothing to do with the arrest, calling the allegations false (GTBank, 2025a). They released CCTV footage showing VDM leaving the bank and being arrested outside by other people (GTBank, 2025b). They also said they would take legal action against those spreading false information.

4.3 Media and Public Reaction

Reports showed that there was a rise in negative feelings towards GTBank, mostly from social media comments (Media Intelligence Report, 2025); while some news outlets shared the CCTV evidence, it didn't spread as much as the initial allegations.

4.4 Strategic Assessment

Using the Situational Crisis Communication Theory, the bank denied the allegations and provided evidence. This was appropriate since the bank was not really responsible, but it didn't show much empathy, which could have made the bank look better.

5. Case Study: Fidelity Bank's Brand Strategy

5.1 Strategic Foundations

In the last five years, Fidelity Bank has directed investment toward several key areas:

Creation of new products: The bank introduced user-friendly mobile banking platforms and specialized services designed to assist small and medium-sized businesses.

Unified messaging: The bank's communications consistently emphasized themes like customer support, inclusivity, and growth.

Third-party endorsement: The bank actively promoted awards, certifications, and positive brand assessments from different sources.

5.2 Market Repercussions

According to Brand Finance's 2024 report, Fidelity Bank has seen substantial growth in its brand value, which has increased more than threefold over the past five years. Media reports on new offerings and community involvement confirm the bank's commitment to customer service and advancement.

5.3 Reputation Management

By establishing a good reputation, Fidelity Bank has improved its ability to manage crises. The Situational Crisis Communication Theory indicates that a strong reputation can reduce the harmful effects of adverse events.

6. Comparative Analysis

Dimension	GT Bank	Fidelity Bank
Preparedness	Legal and factual readiness	Narrative infrastructure
Speed	Quick response and evidence	Continuous engagement
Tone	Defensive, corrective	Positive, Relatable
Transparency	CCTV and press statements	Awards, audits, CSR reporting
Channel Strategy	Owned media and press	Multi-channel campaigns
Resilience	Sensitive to sentiment spikes	Strong reputational buffer

GTBank's strategy reacted to events, used evidence, and focused on legal aspects. Fidelity Bank's strategy planned ahead, focused on relationships, and was cumulative.

7. Discussion

In the case of GTBank, Situational Crisis Communication Theory suggests that their denial strategy is aligned with a victim-type crisis. Still, it was not sufficient in practice, because Nigerian social media was highly emotive. Their lack of showing empathy restricted their power to shape the story. In contrast, Fidelity Bank shows how positive brand associations built over time can act as insurance for a brand's reputation, supporting the argument made in brand equity literature (Godfrey, 2005).

These examples suggest a combined approach is most helpful. Even when organizations face crises where they are seen as having low responsibility, they should mix correcting the facts with messaging that is humanized and focused on their stakeholders. To fully understand, we should look at each case separately. We should examine how GT Bank's denial strategy played out on social media, what the public's emotional responses were, and how this ultimately affected how people viewed the bank. This involves taking a closer look at the social media posts, comments, and shares, as well as traditional media coverage, to see how the narrative changed and what key points affected public opinion.

It also requires measuring things like changes in brand sentiment, client trust, and overall reputation scores after the crisis.

On the other hand, with Fidelity Bank, a more in-depth examination of their sustained positive associations would be helpful. What specific activities and messages helped them build this strong reputation? This involves looking at things like customer satisfaction scores, brand loyalty data, CSR activities, customer friendly banking products, and how people feel about the brand over time to see how a strong reputation can act as a buffer during a crisis.

Combining factual information with humanized messages could involve things like having leaders who can express empathy, being clear and honest in communication, and actively addressing stakeholder worries. This strategy accepts that even in situations where an organization is not directly to blame, it still has a responsibility to react in a way that shows it cares about the people it affects. Also, the importance of adapting to the specific cultural and emotional environment of the communication channels used, especially in the age of social media, where feelings can spread quickly, should be considered.

Looking ahead, companies can utilize these lessons to create crisis communication strategies that are adaptable and that are based on both theory and practical understanding. By thinking about the emotional context of their stakeholders and adding empathy and real engagement into their responses, firms can better protect their reputation and keep the trust of the public during hard times.

8. Conclusion and Recommendations

The GTBank VDM incident underscores the difficulty of managing online misinformation. In contrast, Fidelity Bank's focus on brand development shows the value of readiness in defending a business's reputation.

To handle comparable situations successfully, several steps are advisable:

- Blend factual data with understanding language in communication.
- Put resources into strengthening the brand to create a reserve of goodwill.
- Disseminate impartial endorsements to reinforce confidence during times of difficulty.

- Adopt social channels to keep lines of communication open.
- Keep constant watch for shifts in public feelings.

Future research should systematically integrate social listening analytics with structured survey methodologies to examine the dynamic relationship between brand equity and crisis management strategies, particularly within the context of emerging economies. Such studies ought to investigate not only how stakeholders perceive brand value before, during, and after reputational crises but also how specific communication interventions influence these perceptions, thereby providing empirical guidance for reputation management practices in developing markets.

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