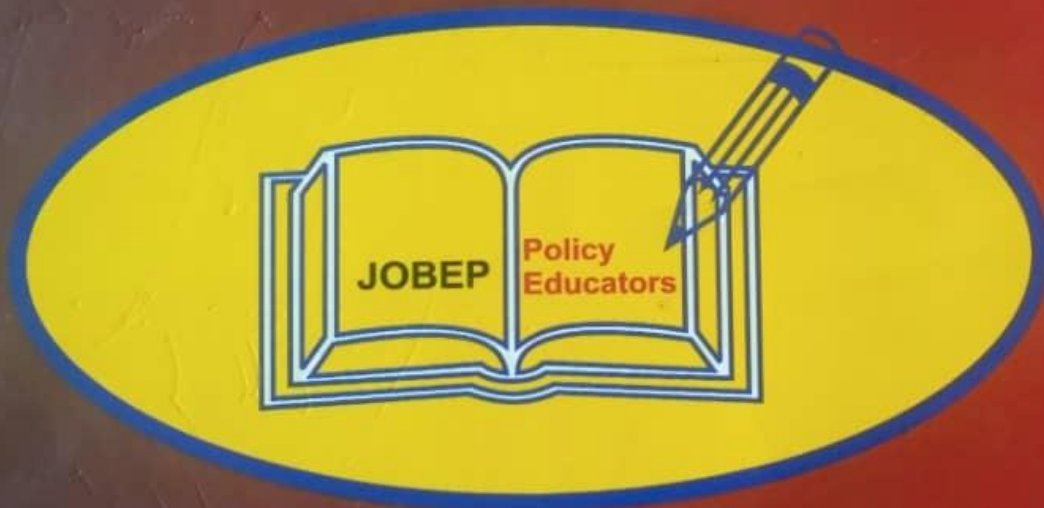


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**COMPLAINT MANAGEMENT APPROACH AND CUSTOMER LOYALTY:
A CROSS-SECTIONAL SURVEY OF COMMERCIAL BANKS
CUSTOMERS IN OGUN STATE**

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Abstract

Effective customer loyalty that guarantees customer retention is always a central focus of every profit-oriented organisation. Attempts are therefore made by such organisations to determine the key factors and strategies that could be used to establish and earn customer loyalty. This study was carried out on the impacts of a two dimensions of complaint management (Responsiveness and Perceived Complaint Service Quality) on customer loyalty to commercial banks in Ogun State, Nigeria. The study adopted a descriptive survey research design of an ex-post facto type. Three research hypotheses were formulated and tested at 0.05 level of significance. Data were collected using a standardized Complaint Management and Customer Loyalty instrument. Research questionnaires were administered to three hundred (300) randomly selected customers of commercial banks in Ogun State until 257 questionnaires were confirmed to have been returned. Data collected were analyzed using t-test and multiple regression statistical method, The results revealed a significant relationship among the variables studies. It shows a significant relationship between complaint handling strategies of commercial banks and their customer loyalty. The study therefore recommends that commercial banks should focus more attention to the attitudes of banks official toward customers' complaints so as to render satisfactory services and earn customer loyalty.

Keywords: *Complaint Management, Customer Loyalty, Customer Satisfaction, Responsiveness and Perceived Quality*

Introduction

The increasing nature of intense competitive pressures among players in service industry makes organizations to increasingly seek ways to attract and retain customers in order to secure market shares and growth. As a result, service organisations are directing their efforts towards improving customer satisfaction in order to attract and retain customers. This involves identifying and focusing on those activities that result in meeting or exceeding customer expectations and satisfaction which often guarantee customer loyalty.

Despite the competition and the attention given to customer satisfaction, service failures become inevitable part of every service offering. Such failures to provide service right at the first time may contribute to customer dissatisfaction and turnover. As such, organizations need to respond effectively to the consumer complaints that may arise from the service failures. A prominent industry in the service group is the banking industry. It is a common phenomenon in the banking industry to see consumers complaining about services which fall under their expectations. As service organisation know that their customers expect services which are of acceptable quality, customer also expect organizations to treat them fairly and respond quickly and appropriately to their complaints in the case of service failures (Bashir, 2008).

Customer complaints are indications of level of satisfaction with product/service quality. Customers do not necessarily express their dissatisfaction in the form of complaints, especially when their previous experience implies that the organization does not pay attention to customer complaints. Alternatively, the disappointed customer may choose to move to a competitor or engage in a negative word of mouth communication (Dinnen & Hassanien, 2011). Research on complaint handling reveals that a small fraction of unsatisfied customers complain. They do so to give the organization the opportunity to correct the problem. There is evidence that some customers do not complain because they are unsure about organizational willingness or ability to resolve disputes fairly. The simplest way for customers is to shift to competitive companies. This encourages the development of an effective and innovative system for handling customer complaints within organizations. The impact of not doing this results in business failure (Dinnen & Hassanien, 2011). Effective complaint management can save business unwanted costs. For example, negative word-of-mouth publicity from unsatisfied customers means lost revenue and necessitates additional investment in advertising to attract replacement customers.

Most large organisations, banks inclusive are interested in obtaining information on the levels of satisfaction and loyalty of their customers. The willingness of customers to continue patronizing a particular bank depends on whether it offers and delivers what they want and need. Thus, customer loyalty is a response to a company's actions (Lawfer, 2004). In the case of the banking industry, the challenge facing individual institutions is to establish a competitive position that is sustainable over the long term. More than just paying the lowest possible fees and commissions, banks customers also expect to enjoy a range of other advantages that bring them satisfaction and will thus induce their loyalty to the bank. This includes high-quality service, special benefits and prompt resolution of complaints.

According to McCole (2004) in Bashir (2008), customer satisfaction is not only associated with faulty free services but also with what organizations do when something goes wrong (e.g. service recovery or consumer complaints handling). Service failures are often unavoidable due to both human and non-human errors. The intangibility nature of service and the fact that service are provided and consumed simultaneously have made errors to occur at the point of consumption (Lewis & McCann, 2004). This therefore necessitates an opening where customer could express their dissatisfaction. Consumer complaints involve service problems which need to be solved in a timely and spontaneous fashion (Heung and Lam, 2003). Consumer complaints as a feedback should be encouraged and welcomed by service providers in order to know about their customer feelings towards their service offerings (Bashir, 2008). But, it is some times

possible not to hear from the unhappy consumers who encountered problems. Zetocha (2002) has indicated that average business never hears from 96 percent of its unhappy customers. To utilize from consumer complaints, organizations should have techniques, processes and systems in place that can encourage, facilitate and respond effectively to consumer complaints.

How companies respond to customer or consumer complaints have become key aspect of providing customer service that ultimately affects consumers' choices of service and loyalty (Goodwin and Ross (1990) in Isaac and Gifty (2015).

Therefore, the objective of this study is to examine the impact of two-dimension of complaint management system (responsiveness and perceived quality of complaint management) of commercial banks on customer loyalty in Ogun State.

Statement of the Problem

The generation of higher value for customer, according to Woodruff (2010) is a competitive advantage in the 21st Century and that value is at the heart of what consumers pursue from an exchange. Hence, there is strong link between perceived value and future intention. To this end service organisations have increasingly becoming aware of the need to enhance internal activities in order to create and distribute value to customers.

The source of disappointments always encountered by bank customers in service delivery can be linked to service failure and the inability on the part of banks to meet the expectations of their customers regarding the standard of service delivered (Ahmad, 2002; Palmer, 2001). Suffice to say that irrespective of all the effective strategies put in place by a service organisation, it is certain to happen that an organisation will fail at some points where customers and the service organisation meet each other. Palmer (2001) stresses that the inseparability of a service offering and the service provider – as well as the intangibility of services, gives rise to service failures, whereas customer satisfaction and loyalty are key to achieving competitive edge. Therefore, customer satisfaction can be linked to what organizations do in response to customers' complaints (McCole, 2004).

Most banks have established effective and innovative systems for resolving complaints but research into the customer complaints behaviour reveals that some of the unhappy customers do not simply complain because of their skepticism about the bank's willingness to resolve issues promptly and fairly (Blodgett, Wakefield & Barnes, 1995). Therefore some customers simply withdraw their patronage and criticize the bank or the service to others (Heung & Lam, 2003 and Ndubisi & Ling, 2005). With respect to these problems faced by many service institutions especially the banking industry, this research examines the impact of complaint handling strategies on customer loyalty among banks in Ogun State, Nigeria with emphasis on two dimensions of complaint management - responsiveness and perceived quality of complaint management in facilitating complainant satisfaction or problem solution.

Literature Review

According to Parasuraman, Berry, & Zeithaml, (1991), customer service expectations are in two levels: desired and adequate. Desired level of service expectations is a state of service the customer desires to receive, whereas adequate level of customer expectation is the level of service the customer can only "accept" without being too satisfied with it. Customers therefore become dissatisfied when product or service performances are not up to their expectations. Understanding the potential sources of dissatisfaction and customers' reactions to negative situations are mandatory requirements in the design of effective service recovery strategies.

Customer responses to various errors or unpleasant incidents are not unique (Voinea, 2011). Thus, some individuals will initiate a public action, which may consist of: sending a complaint

to the organization, complaining to a third party such as to a consumer association, or even trying to solve the problem through a legal action. In other cases, customers will make a private action and will send negative messages to other potential customers or they will end the business relationship, followed most likely by migration behaviour. There are also passive customers that will not perform any action, due to a low level of interest in that specific experience or in the product itself. This may be the case of fast moving consumer goods with minimum costs and risks for the individual (Lovelock & Wirtz, 2004).

Complaints and Complaints Handling

The handling of complaints has become an important aspect of bank management and is one of the main factors behind customer decisions to desert a bank. A complaint is any written notice lodged with a bank by a customer reporting a specific situation that has not been resolved to the customer's satisfaction (SBIF, 2009). More generally, a complaint is an expression of dissatisfaction communicated to an organization in regard to its products. It often leads to customer defection if the organization does not take steps to provide an efficient solution to the particulars of the grievance (Fornell and Wernerfelt, 1988).

According to Ombudsman (2014), a complaint is an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required. An effective complaint handling system provides three key benefits to an organisation - It resolves issues raised by a person who is dissatisfied in a timely and cost-effective way; It provides information that can lead to improvements in service delivery; and Where complaints are handled properly, a good system can improve the reputation of an organisation and strengthen public confidence in an organisation's administrative processes (Ombudsman, 2016).

Complaint handling is one of the essential pillars of customer service, customer retention and customer delight, and it's a smart business to understand why customers complain, so you can stop complaints from happening in the first place. Understanding why customers complain, and addressing concerns before they happen might save time (Mohammad and Shafiq, 2014).

Slow complaint handling may be seen by customers as incompetence and will have a negative effect on credibility and thus on trust (Ganesan, 1994) in Sara, Adrián, Ángel, and Valentín (2011). To maintain customer confidence therefore, it is essential that banks be efficient and effective in managing complaints so they will be perceived as concerned to solve problems and fulfil commitments.

It is important to point out that some complaint could be anonymous. Such complaints can be difficult to investigate and respond to. It may also be difficult to guarantee that complainants will not be identified. However, complainants should not be required to identify themselves. The focus should be on the content of the complaint rather than the complainant. People can have genuine reasons (e.g. fear of reprisal) for not wanting to disclose their identity (Mohammad and Shafiq, 2014)

In managing customer complaints, it is considered imperative for organizations to understand why customers or consumers of their services choose specific complaint behaviours, particularly those that do not involve the direct voicing of a complaint to the organization. Kim Dao (2013) assumes that anytime customers face dissatisfaction, they exhibit several alternatives as behaviours: exit, loyalty and voice. A lot of modern researchers recognize the theory of Hirschman (1970) in contributing to customer complaint behaviours. The Hirschman theory hypothesizes that consumer complaining behaviour depends on the "value of voicing the

complaint,” the “probability that the complaint will be successful,” and on “the ability and willingness to take up the voice,” and that exit is often a last resort (Blodgett et.al, 1993).

In order to aim at service recovery, at the event of occurrence of service failures in the delivery process; there is the need for organizations to adopt effective and more efficient strategic approaches to help handle or respond to complaints made by aggrieved customers or clients who have experienced defective service in all forms. According to Davidow (2000), there are six different approaches organizations adopt to respond to complaints lodged by their various customer groupings. These are as follows (Isaac and Gifty, 2015):

- **Timeliness:** This approach refers to the time frame in which an organization takes to respond or handle a complaint made by customers. Conlon and Murray (1996) supports this approach by maintaining that it has a positive correlation with repurchase intentions; which mean the faster the response, likely the higher the repurchase intentions.
- **Facilitation:** This refers to laid down policies, procedures and structures that an organization always has to put in place to support customers engaging in complaints and communications. Activities such as toll-free lines, availability of comments cards, service guarantees, and hassle-free complaint procedures are several ways an organization can encourage complaints. Facilitation as an approach has a positive connection with satisfaction or experience from the complaint handling and with repurchase intentions.
- **Redress:** According to Day (1984) in his cost/benefit analysis, the author submitted that compensation is the most talked about aspect of complaint handling. It is reported to significantly impact on complain.
- **Apology:** An apology as strategic approach is considered very important in the overall complaint recovery process (Goodman, Malech, and Boyd, 1987). It indicates companies' effort in resolving customers' problem and recognizes the customer's perceived seriousness of the situation. It refers to accounts that involve an admission and acceptance of service failure and an expression of remorse. There are two goals of every sincere and professional apology always made in typical customer complaint context: (1) to inform the customer that the organization accepts responsibility for the event, and (2) to express sincere regret (Tedeschi and Norman, 1985)
- **Credibility:** This approach refers to an organization's willingness to account for the problem constituting the service failure. Organizations are evaluated not only by the rate or extent at which they respond to individual customers complaints made but by giving explanations or accounts into what happened and what they are putting in place to help to prevent future same or similar occurrences (Morris, 1988). Conlon and Murray (1996) agree that it has a significant impact on post-complaint satisfaction and behaviour.
- **Attentiveness:** As an approach adopted to respond to complaints always made by aggrieved customers, attentiveness refers to the interpersonal communication between customer service representative and the aggrieved consumer. This includes virtues and values such as respect, effort, empathy, and an express willingness to listen to the customer with rapt attention. The findings of many studies report that attentiveness is the single most important approach having the largest effect on satisfaction and post-complaint behaviour.
- **Compensation:** As a strategic approach always adopted to handling customer complaints, it comprises of forms such as refunds, replacements, and/or discounts, which organizations provide to complainants. This is similar to the term 'redress' used by Davidow (2000), with which he describes as a benefit or response outcome that the organization provides to address a customer complaint lodged. It represents series of tangible benefits in the form of monetary and intangible response outcomes that can be considered to be psychological

compensation such as apology. Further, monetary compensation should cover for a customer's loss, if necessary, in order to uphold satisfaction.

- ***Employees' behaviour:*** Employees' behaviours are capable of been an approach always adopted by organizations experiencing service failures. Estelami (2000) catalogues several of positive employees' behaviours when resorted to is capable of recovering a service experiencing clear failures. These behaviours according to the author include being empathic, friendly, responsible, careful, and informative behavior of the service person.

Customer Loyalty

Most banks today offer special customer service and loyalty programs in an attempt to create a feeling of connection and commitment to the institution and thus, increase customer satisfaction and loyalty (Sara et al, 2011).

Loyalty is a construct that has remained as most important to the banking industry. To better focus their efforts at securing customer loyalty, banks must understand what factors effects this construct and their order of importance. This is particularly seen in the introduction of different bank products that become commodities with little differentiation from bank to bank and strong competition among them to capture new customers and retain existing ones (Davidow, 2000).

Sara et al (2011) identify two fundamental approaches to the study of customer loyalty - one is behavioural approach and the other is attitudinal approach.. Behavioural approach deals with purchasing and recommendation through indicators of behaviour, while attitudinal approach measures loyalty through indicators of intentions (De Ruyter et al., 1998). One of the most widely used concepts of loyalty is due to Oliver (1997) who defines it as a deeply held commitment to rebuy or recommend consistently in the future a preferred product or service of a given business (Bashir, 2008).

However, Edvardsson, Johnson, Gustafsson & Strandvik (2000) defined customer loyalty as a customer's intention or predisposition to repurchase from the same firm again. As such, it encompasses an affective component as well as a behavioral dimension. As an affective state, loyalty represents a psychological reaction and conviction to a product or service experience. The behavioral dimension is simply a manifestation of that affective state, which is sometimes equated with customer retention. In other words, loyalty encompasses intended behaviour and whether or not the intended behavior actually occurs (Gustafsson & Johnson, 2002).

It is important to mention that customer satisfaction is found to be highly correlated with customer loyalty and it is considered to be the most influential indicator of customer loyalty (Bowen & Chen, 2001; Gronholdt, Martensen & Kristensen 2000; Jones & Suh, 2000). Customer satisfaction is a term frequently used as a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals (Farris, Neil, Phillip & David, 2010; or as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy (Wikipedia, 2016).

Developing and maintaining a loyal customer base is also viewed as the single most important driver of long-term financial performance (Reichheld & Sasser, 1990). As such, organizations that understand the importance of customer loyalty will be likely to succeed in today's business environments. As competition has tightened in the Nigerian banking industry, maintaining a pool of loyal customers is crucial for the long term survival of every organization in the

industry. It is therefore a matter of importance for banks in Nigeria to develop a well-designed complaint handling systems in order to increase complainant satisfaction and thereby complainant loyalty and commitment.

Responsiveness

Responsiveness, according to Queensland (2006), is about how quickly you respond to a complaint and a complainant. It is about receiving and recording a complaint, considering the issues it raises and how best to handle it, making decisions, and informing the complainant of progress and your ultimate decision, all within reasonable timeframes. It is essential to have documented procedures if your system is to be truly responsive to your customers. This means setting specific levels of performance, not just general targets and meaningless promises. This will help staff and customers understand the importance of customer feedback within your agency. Responsiveness - a commitment to the public and your customers.

Being responsive to the needs of customers lets them know you have a commitment to quality service. There is no better way to demonstrate commitment and regain, maintain or increase satisfaction than by responding quickly, courteously and seriously to concerns raised by the customers. Complaints may range in seriousness. However, dealing with them quickly can prevent a minor matter escalating into a major one. Research indicates that a significant number of complainants who are 'kept waiting' by a slow process will give up and abandon their complaint. An agency may see this as a good thing, but apart from being bad practice, it is shortsighted thinking (Queensland, 2006). Dissatisfied complainants tend to become even more critical of the agency and often share their negative experience with others. They will have two complaints against the agency instead of one, and undue delay may be much harder to justify than the original decision about which the complaint was made. The opportunity to project a positive image will be lost. If the customer service agent can show interest and respect by acting quickly and positively on a complaint, the complainant is likely to be pleasantly surprised and more appreciative and cooperative.

Responding in a timely manner People often expect their complaint to be resolved immediately and usually by the first person they speak to. The longer it takes for them to receive a response, the more likely it is they will be dissatisfied with the outcome. In fact, one of the most common complaints is delay. This is exacerbated if the response to a complaint about delay is itself delayed (Queensland, 2006).

No matter how fantastic your product is or how high you set your customer service goals, situations will arise in which a customer is not completely satisfied with their experience. If an organisation has a good policy for responding to customer complaints, efforts can pay off in droves. The cost of replacing an item or offering a refund is often recouped by the loyalty you receive in return when you go above and beyond the call of duty to fix the situation. Meanwhile, research has shown customers who have had a complaint satisfactorily resolved are extremely likely to recommend a business to others.

Perceived Service Quality

A concept which is very closely related to satisfaction and loyalty is perceived service quality (Arvinlucy, Moses, Isaac & Willis, 2012). One of the most common definitions of service quality is the customer's perception of service excellence. In this sense, quality is determined by the customer impression of the service provided. The assumption behind this view is that customers form a perception of service quality according to the service performance they experience and in light of prior experiences of service performance (Bhat, 2005) in Sara et al (2011).

Carreras (2006) sees perceived service quality as the evaluation of the consumption experience, based generally on the customer's expectations. Similarly, Parasuraman et al. (1988) posit that perceived quality is the contrast between a customer's expectations of a service offering and his or her perceptions of the service delivered. This definition underlines the significance of customers' perception of the services rendered by an organisation in measuring quality of service.

Since the quality of service is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed, it has been found to have a profound input on customer satisfaction and loyalty as a whole (Quensland, 2006).

Shapiro (2003) in Arvinlucy, Moses, Isaac & Willis (2012) suggests that a key determinant in attracting customers is the diversity of features of service products introduced to the marketplace and efficient customer service via different technology mediums, it is necessary for banks to have 24 hours customer self-service, phone, internet banking as well as efficient quality complaint service that guarantee customer retention or loyalty . These developments provide customers with unlimited access to financial service products and offer them a wider range of choices than before. Gerrard & Cunningham (2000) submit that quality customer service driven by high technology can attract the customers who are techno-seekers as it offers a quick, convenient, and higher quality customer service. Alternatively, the less innovated banks which cannot offer these types of delivery method effectively may cause customers to switch banks.

Hypotheses

The following hypotheses were tested to assess the relative and combined implications of responsiveness to customer complaints and perceived quality of complaint management on customer loyalty among commercial banks in Ogun State.

1. Responsiveness to customers' complaints has no significant relative impact on loyalty of commercial banks' customers.
2. Perceived quality of complaint handling has no significant relative impact on loyalty of commercial banks' customers.
3. Responsiveness to customers' complaints and perceived complaint handling quality of have no significant combined impact on loyalty of commercial banks customers

Methodology

The population of the study comprises all commercial bank customers in Ogun State. Majority of the banks have branches in the State Capital and this prompted the researchers to limit the sampling frame by selecting the sample from the State Capital. Customers of ten commercial banks were randomly sampled in all. However, the study employed incident sampling whereby the bank customers who were available at the time of the selection were involved in the study. According to (Malhotra, 2010) the respondents are selected, because they happen to be in the right place at the right time.

A standard Customer Loyalty Survey of Wuk (2011) and a researcher-developed Compliant Management Questionnaire were used to collect primary data. The instruments were distributed to the selected bank customers who were met at their respective banks during the administration of the questionnaire. A total of 300 questionnaires were administered but 257 were confirmed to have been completed and valid for the study.

Results

Table 1: Hypothesis 1: The relative impact of responsiveness to customer complaints on customer loyalty

Independent Variable	β	T	Sig	Decision
Responsiveness to Complaints	.621	15.468	.000	Reject

(R= .621; R2 = .358; F= 239.269); * significant level of P \leq 0.05

Source: SPSS Analysis of Field Data

Simple regression was performed and the results in Table 2 show that the impact of the responsiveness on customers' loyalty was (R= 62.1%), and the coefficient of determination (R²) showed that the explained difference percentage in the customers loyalty as the impact of complaints' handling is not less than (35.8%) of the total differences in customers' loyalty and the remaining percentage is equal to (64.2%)

The value of computed (F=239.269) with significance level of (0.000).

The results of the simple regression analysis showed that there is positive impact of responsiveness to customer complaints on customer loyalty, (β = .621) at level of significance (0.000). This result is consistent with Dinnen and Hassanien (2011) Accordingly null hypothesis is rejected and the alternative hypothesis is accepted that responsiveness has significant relative impact on customer loyalty.

Table 2: Hypothesis 2: Relative impact of perceived complaint service quality on customer loyalty

Independent Variable	β	T	Sig	Decision
Perceived Complaint Service Quality	.682	18.201	.000	Reject

(R= .682; R2 = .464; F= 331.286); * significant level of P \leq 0.05

Source: SPSS Analysis of Field Data

Simple regression results in Table 3 indicates the impact of the perceived complaint service quality on the customer loyalty was (R= 68.2%), and the coefficient of determination (R²) showed that the explained difference percentage in the perceived service quality because of the impact of complaints' handling is not less than (46.4%) of the total differences in customers' loyalty and the remaining percentage is equal to (53.6%)

The value of computed (F=331.286) with significance level of (0.000). The results of the simple regression analysis showed that there is positive impact of the service quality on customers' satisfaction, (β = .682) at level of significance (0.000). Therefore, we reject the null hypothesis and accepts the alternative hypothesis that perceived complaint service quality has significant relative impact on customer loyalty.

Table 3: Hypothesis 3: Combined impacts of responsiveness to complaints and perceived complaint service quality on customers loyalty

Independent Variable	β	T	Sig	Decision
Two Dimensions of Complaint Handling (Responsiveness to Complaints and Perceived Complaint Service Quality)	.784	24.645	.000	Reject

(R= .784; R2 = .614; F= 607.392); * significant level of P \leq 0.05

Source: SPSS analysis Field Data.

Multiple regression was performed and the results in Table 4 show that the impact of the two dimensions of the complaints handling (Responsiveness and Perceived Complaint Service Quality) on the customer loyalty was ($R= 78.4\%$), and the coefficient of determination (R^2) showed that the explained difference percentage in the customer loyalty because of the impact of complaints' handling is not less than (61.4%) of the total differences in customers' satisfaction and the remaining percentage is equal to (38.6%)

The value of computed ($F=607.392$) with (0.000) significance level. This indicates that the curve of regression is good in explaining the impact of complaints' handling and customers' loyalty.

The results of the simple regression analysis showed that there is positive impact of the responsiveness to complaints and perceived of complaints service quality on customers loyalty, ($\beta= .784$) at level of significance (0.000). The result agrees with Homburg and Furst 2005). Accordingly the null hypothesis is rejected and the alternative hypothesis is accepts that responsiveness and perceived quality of complaint handling have significant combined impact on customers loyalty.

Conclusion and Recommendations

Based on the results of the study, it is concluded that effective complaint management is essential for customer loyalty to commercial banks. It is evidenced that there is a strong relationship between the two dimensions of complaint handling (responsiveness and perceived quality of complaint service) and customer loyalty which were the central focus of the research. Since the commercial banks provides almost the same service, customers seemed to be more inclined to paying attention to complaint management efforts by their banks. The attitude of customer service agents and other bank officials who handle customer complaints is a major determinant of customer satisfaction of the complaint service which in turn affects the banks reputation, image and most importantly, loyalty of their customers

To this end, bank managers have to design their complaint management strategy taking into account vital elements such as expectations and the increasing competition among banks. Therefore, effective complaint management should be put in place to ensure customer loyalty. For a more effective complaint handling, commercial banks need to regularly review their complaints handling procedure and system, build staff and management commitment to complaint management, carry out periodic customer satisfaction and loyalty surveys and use complaint self-audit checklist.

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