International Research Journal of Human Resource and Social Sciences
ISSN(O): (2349-4085) ISSN(P): (2394-4218)
Impact Factor 5.414 Volume 8, Issue02, February 2021
Website- www.aarf.asia, Email :editoraarf@gmail.com

IMPACT OF CUSTOMER COMPLAINTS AND FEEDBACK MANAGEMENT ON CUSTOMER RETENTION IN DEPOSIT MONEY BANKS IN SOUTH-EASTERN NIGERIA

Oranusi, Ifeanyichukwu N: Department of Marketing, Nnamdi Azikiwe University, Awka, Nigeria.

Nwaizugbo, Ireneus C: Department of Maketing, Nnamdi Azikiwe University, Awka, Nigeria.

Okolo, Victor O.A: victor.okolo@unn.edu.ng, Department of Marketing, University of Nigeria Nsukka, Enugu Campus, Nigeria.

Obikeze, Chinedum O: Department of Marketing, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, Nigeria.

Ikpo, Kobi P: Department of Marketing, University of Nigeria Nsukka, Enugu Campus, Nigeria.

Ogbodo, Igwesi H: Department of Marketing, Ebonyi State University, Abakiliki, Nigeria

Abstract

This study investigated the impact of customer complaints and feedback management on customer retention in deposit money banks in South-Eastern Nigeria. The specific objectives were to determine the impact of customer complaints management on customer retention in deposit money banks in South-Eastern Nigeria and also, to ascertain the impact of customer feedback management on customer retention in deposit money banks in South-Eastern Nigeria. The population of the study consists of customers of First Bank Nigeria Plc, Zenith Bank Plc, Union Bank of Nigeria Plc, Fidelity Bank Plc, Polaris Bank and Sterling Bank Plc in South-Eastern Nigeria. The branches of these deposit money banks in Umuahia, Awka, Abakiliki, Enugu and Owerri, representing the capitals of Abia State, Anambra State, Ebonyi State, Enugu State and Imo State in South-East geopolitical zone of Nigeria were conveniently selected. Survey method was adopted for the study and the sample size of 384 was determined using Cochran's formula. Cronbach's alpha was used to determine the reliability of the instrument and the value of 0.773 was got. Questionnaire was adopted as the instrument for the collection of primary data and was distributed to the 384 students who returned 300 that were correctly filled. Analysis of data was conducted using Pearson's product moment correlation coefficient with the aid of SPSS software version 22. The study revealed that customer complaints management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria. Similarly, it was revealed that customer feedback management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria. Thus, customer complaints and feedback management strategies are very efficacious marketing strategies for ensuring customer retention in the Nigerian banking industry.

© Associationof Academic Researchers and Faculties (AARF)
A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories.

Keywords: Customer complaint, customer feedback, customer retention, banks, South-Eastern Nigeria.

Introduction

The war on competition rages as firms strive to know who will control the largest share of the services market/marketing industry (Okolo, Ikpo & Obikeze, 2021). Surely, any company who understands the needs and wants of consumers, and who diligently and tenaciously forges ahead to satisfying them judiciously, becomes the victor (Okolo et al., 2021). In principle, services firms such as banks, hospitals, universities, telecoms, insurances, transports, etc., had always preached quality and dependable services. Nevertheless, the reality still remains that firms do not practice what they preach in terms of performing up to customer expectations. Thus, their inability to live up to expectation has made customers to express their grievances through complaints regarding services failures. Regrettably, many customers don't complain; they pliably switch to other substitute products or competitors.

However, beckoning on the firms to respond appropriately to customer demand for satisfactory services, customers push hard by giving their contributions in the service coproduction process (Zeithaml, 2009). In fact, customers had resorted to churning (Keramati, Ghaneei & Mirmohammadi, 2016) instead of waiting for unfulfilled or reneged promises made by their service providers. Pessimistically, many customers could not churn to other competing firms because the cost of switching is purported to be very high (Brush, Dangol & O'Brien, 2012). Fortunately though, customers who are satisfied with the bank's services through feedback channels established by banks tender their commendations and also suggest to the banks how to innovate and continuously improve on their services. Unfortunately, those suggestions may be relegated.

Unequivocally, the advancement in information and communications technology (ICT) has led to dramatic and dynamic changes and competition in the service industry (Kodua, Narteh, Braimah & Mensah, 2016; Narteh, 2013). As a result, consumers have numerous substitutable products and services in which they can make their purchase decisions (Leal & Pereira, 2003). However, customer service has become a very serious issue in the banking sector particularly after the financial sector reforms and execution (Rod & Ashill, 2010). Providing deluxe services is a prerequisite for deposit money banks to attract and retain customers (Malyadri & Sirisha, 2015). Consequently, given the supposition that happy customers are a very important element of a sustainable business process, attracting and retaining these customers are undoubtedly an interactive means that will dramatically persuade the long-term achievement of many businesses in today's service-driven economy (Wasfi & Kostenko, 2014).

Banks can gain stronger competitive advantage (Havir, 2019; Aghamirian, Dorri & Aghamirian, 2015) by translating customer feedback into improved services. Unquestionably, listening to the yearnings of customers would increase brand loyalty and even convert one-shot customers into brand advocates and ambassadors (Osti, 2016). In fact, customer feedback aids the development

© Associationof Academic Researchers and Faculties (AARF)

of better products and services. By having customer insights, listening to customers and making them happy, companies can build goodwill, better image, reputation, and can create strong and long-term relationships as people do business with people they know and trust (Oleksiy, 2015).

Moreover, most companies understand the value of customer feedback (Pelsmacker, Tilburg & Holthof, 2018). These companies realize that how their customers perceive and feel about them based on their experiences can positively impact on their businesses. Customers have choices of whom to do business with, so if their experiences and perceptions of the firms are negative, they will switch to competitors (Njoku, Nduka & Okocha, 2016). Therefore, companies collect data across customer touch points such as feedback on specific business undertaking, and data on consumer behavior aimed at improving customer experience (Stewart & QuestBack, 2016). In truism, customer feedback provides the tripod upon which several businesses thrive. It delivers strategic guidance and actionable insights that enable companies to improve marketing and customer service intended toward delivering better customer experiences (Osti, 2016).

In addition, complaints from customers are a way of receiving feedback and therefore effective handling and management of these complaints are necessary for putting improvement plans into action (Ateke, Asiegbu & Nwulu, 2015; Filip, 2013). Complaint management is the process of dissemination of information aimed at identifying and correcting various causes of customer dissatisfaction (Fornell & Westbrook, 2004). It defines and design strategies used by firms in learning from previous mistakes in order to restore customer confidence and trust in an organization (Hart, Heskett & Sasser, 2010). Certainly, information gathered from customer complaints is of great importance for quality management decisions as it can be used to correct and learn about weaknesses in product quality and service delivery system. Moreover, customer feedback management is the formal process of soliciting, recording and resolving customer complaints (Nasr, Burton, Gruber & Kitshoff, 2014) and equally responding to commendations and suggestions tailored towards meeting the immediate needs of the customers. Customer feedback entails being attentive to satisfied and dissatisfied customers and taking positive steps toward carrying them along. Customer complaints and feedback management are the initiatives under a large strategy called customer experience management (Mashingaidze, 2014).

By and large, customer complaints and feedback management is a valuable source of important market intelligence which companies should use to correct the root causes of their problems and to improve their product and services (McCollough, Berry & Yadav, 2000). Complaints and the processes for handling them are important issues for the service providers because they could negatively affect customer satisfaction and loyalty (Shammout & Haddad, 2014). Research has shown that the way a company handles company complaints can affect its business success in future (Robert-Lombard, 2011). Listening to customers via feedbacks, banks can develop service standards and delivery processes to meet customer needs (Zairi, 2000). In contrast, banks can go ahead to providing customized services to their more profitable customers.

In Nigeria, there have been considerable consumer complaints generated by many problems. Better services are solicited by satisfied customers who may want service continuous improvements (Nimako, 2012). These problems include service failures, poor service quality and unfair treatment from the employees in these organizations (Okyere, Anna & Anning, 2015). Apart from being dissatisfied with the initial problems encountered, many consumers are likely to be unsatisfied with the ways in which their complaints have been addressed. Sometimes it is not only the initial service failures that cause dissatisfaction but also the service provider's lack of appropriate responses to failures.

Furthermore, service companies cannot compete favorably unless adequate attention is dedicated to customer complaint and feedback having acknowledged that customers deserve quality services in the face of heightened competition (Tronvoll, 2012). Indeed, gathering customer feedback is very tasking (Mourtzis, Vlachou, Zogopoulos, Gupta, Belkadi, Debbache & Bernard, 2018). Studies had been conducted on customer complaints and feedback management (Okolo et al., 2021; Yakubu & Kadiri, 2019; Dah & Dumenya, 2017). Nevertheless, none to the best of the knowledge of the researchers has been done on investigating the effects of customer complaints and feedback management on customer retention especially in the Nigerian context. Also none of the studies have comprehensively covered commercial banks in South-East zone thereby exposing a knowledge gap. Therefore, the present study improved on the previous ones by examining the effects of customer complaints and feedback management on customer retention in deposit money banks in South-Eastern Nigeria.

Review of Related Literature

Bank's Customer Complaints

Customer satisfaction is the "be all and end all" of every business organization (Okolo, Agu, Obikeze & Ugonna, 2015). Ironically, satisfying customers had become a fantasy over the years (Okolo et al., 2015). Ultimately, the image and reputation of a bank can be devastated as a result of customer dissatisfaction (Uppal, 2010). Axiomatically, a poorly treated customer tells millions more about the poor services delivery handed down by a firm. On the contrary, satisfied customers may hardly do favorable word-of-mouth marketing. Perhaps the expectations of the customers are very high or that firms lack the requisite resources to provide optimum satisfaction. Thus, service failure has become inevitable across the services industries (Ateke & Kalu, 2016) and that was why Zeithaml et al. (2009) argued that services delivery cannot be 100%. Consequent upon this, customers continue to be sad and therefore express their grievances through complaints due to high degree of dissatisfaction experienced by these industries; specifically the banking industry.

In the real world, complaints are part and parcel of life as human beings are highly insatiable having always projected their expectation so high. The banking industry's service delivery is a process of which complaint is a tentacle (Uppal, 2010). However, a complaint is a message of dissatisfaction via letter writing, e-mail, phone call, social media, and face to face oral communication sent to the service provider or other parties who are part and parcel of the services production process and as well as consumer protection agencies, about incessant serve failures (Ateke et al., 2015). Fortunately, managing these complaints will go a long way to boosting customer confidence and satisfaction (Ateke & Kalu, 2016).

Lodging complaints by customers according to Ateke and Kalu (2016) is not an easy task at all for the reasons that customers feel that their complaint might be ignored, sometimes they feel it is a waste of time and energy, customer may feel that they do not want to hurt anyone, they may not know how, when and whom to complain to, customers fear of questioning the service provider's expertise, and customer naivety and ignorance about the service. Despite these customer weaknesses, Lovelock and Wirtz (2011) advised that there is need for customers to complain to services providers so that their grievances about service dissatisfaction can be handled once and for all.

In the banking industry, banks perceive the provision of effective and efficient service as their priority in order to attract and retain their numerous customers (Uppal, 2010). They tend to nip the eructation of services failure in the bud by providing adequate services and establishing customer complaint and feedback channels through which customers can lodge their complaints and receive adequate feedback through the banks' services recovery processes. Uppal (2010) stated that banks have instituted a policy to redressing customer dissatisfaction by handing down fair treatment at all time to customers, giving adequate information concerning service delivery process, allowing customers to lodge their complaints, judiciously acknowledging customer complaints and properly resolving those complaints.

More so, the growing number of customer complaints in the service industries is overwhelming and has caught the interest of researchers and services professionals (Patwary & Omar, 2016). From 2012 to 2017, customer complaints about poor services based on data generated by the Indonesian Customer Foundation is overwhelming (Salim, Setiawan, Rofiaty & Rohman, 2018). Study carried out on the Indonesian banking sector revealed that customer complaint has a significant influence on customer satisfaction. Although in the same study another result revealed that customer loyalty is not influenced by the manner in which services providers handle customer complaints (Salim et al., 2018). Similarly, study conducted in Nigeria revealed that bank's resolution of customer complaints has a significant effect on customer satisfaction (Obasi, Abugu & Chukwu, 2020).

In fact, when customer complaints are well managed by the bank, the customer attains satisfaction and loyalty. In contrast, failure to handle customer complaints adequately according to Salim et al. (2018) would result to customer filing their complaints to the bank's supervisory agency which is a third party that might deal with the bank for negligence. Obasi et al. (2020) admitted that efficient customer complaint management is a robust aspect of ensuring customer satisfaction and retention and advised that banks need to encourage customer complaints to identify service failures that might lead to customer complaints, improve service delivery, ensure

the establishment of customer complaint handling department, install complaint database, use the database to track future complaints and resolve complaint immediately. Employees of banks according to Uppal (2010) need to be properly trained and thus, need to have customer complaint management ideas and experience in their finger tips. Therefore, the hypothesis is stated thus:
H1: Customer complaints management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Bank's Customer Feedback

Customer feedback is a channel of communication between the customer and the organization aimed at generating customer insights about their feelings with the organization, tailored toward serving them better (Okolo et al., 2021). Customer feedback is originally collected to understand customers' feeling about a firm's dealings (Xia, Lo, Tang & Li, 2015). To achieve good customer relationships and gain competitive advantage, firms like banks embark on generating customer feedback on the products and services they market to their customers (Mourtzis et al., 2018). Generating customer feedback according to Tronvoll (2012) had been acknowledged by firms to generate profitable marketing results. For Mourtzis et al. (2018), firms deliberately collect customer feedback in launching a new product to help them obtain relevant customer insights they need to improve future product and service designs. Consistent with this, Lepkova, Butkiene & Belej, 2016) remarked that after the completion of a construction project, firms require to collect customer feedback to accumulate relevant information that will guide them in the future. Ironically, firm receive negative customer feedback as an invaluable information source (Du Preez, Tate & Nili, 2015). Undoubtedly, firms such as banks perceive customer feedback as very insightful in creating their products and services. Customer feedback is very germane as it helps in satisfying the customers who naturally have high expectations for the products (goods and services) they consume. Sashikala (2015) posited that customer feedback enhances customer retention.

However, customer feedback can be defined as customer communication and collaboration with the firm aimed at producing needed products and services (Nasr et al., 2014). Itrefers to the information that comes directly from consumers about the satisfaction or dissatisfaction they experience regarding a certain product or service. In other words, it is all the information generated by consumers and/or buyers of a certain brand. This information comes in many formats (text or speech) and through different channels. Hallbera and Guorun (2012) argued that customer feedback is a planned approach aimed at soliciting ideas from customers which is necessary for product and service improvement and innovation. Interestingly, customers value what they purchase and thus, give feedback to firms or may even complain or voice their concern to their cronies when they experience service failures (Tronvoll, 2012).

McCarty, Daniels, Bremer and Gupta (2005) noted that customer feedback is a term used in describing what customer requirements are. It is intended to demanding from an organization the kind of products or services the customer needs and how much they are willing to pay to earn the title for the product or service. Osti (2016) opined that customer feedback is essential to management decision makers in that it exposes where they have got it all wrong and needs to make necessary adjustments (Tronvoll, 2012) and improvements towards serving the customers better. Moreover, it provides actionable marketing insights that can support the improvement of consumer experience and also help in enhancing the performance of their brands. Customer feedback allows a conversation and dialogue to flow between an organization and their customers aiding the understanding of the customers' needs and wants by the organization in order to provide maximum satisfaction (Gupta, Belkadi & Bernard, 2017; Vargo & Lusch, 2008).

Banks gather customer feedback to generate leads, customize products, improve customer experience and predict future trends (Sullivan, Garvey, Alcocer & Edridge, 2014). It is a well documented fact that many organizations are poor at handling customer feedback and complaints. Andreassen (2001) found in a study that 40% of customers who complained about service failures were subsequently dissatisfied with the organizations' handling of their complaints. This is corroborated by similar research done by Estelami (2000) and Grainer (2003) indicating that 50% of complainants were dissatisfied with the complaint handling processes. These studies strongly suggest that poor complaints-handling processes account for additional dissatisfaction over and above that which originally gave rise to the complaints (Ang & Buttle, 2012). Therefore, the hypothesis is stated thus:
H2: Customer feedback management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Bank's Customer Retention

Literature shows that customer retention is a robust business and marketing strategy (Ibojo, 2015; Muketha, Thiane & Thuranira, 2016; Msoka & Msoka, 2014). Customer retention is a complex phenomenon having been difficult for most chief executive officers (CEOs) across the globe to handle (Ball, 2004). Riddled with the challenges posed by heightened competition, customer service executives are quite conscious of the devastation posed by customer defection (Liang, Ma, & Qi, 2013). Unequivocally, the lifework of many successful business enterprises such as deposit money banks is customer retention (Soimo, Wagoki & Okello, 2015). Okolo et al. (2015) concluded that organizations cannot prosper without adopting customer retention strategies in the pursuit of their social and economic prosperity. Most banks are experiencing customer defection consequent upon service failures. Nevertheless, banks still fail to recover these services because they believe that new customers would come. No wonder they knew just little that competition is a reality and that banks that stand out in terms of rendering exceptional quality service will dominate the industry and acquire a more robust customer base.

Customer retention is the sustenance of current customers in a business relationship by providing exceptional services to them (Okolo et al., 2021). Tersely put, it is the ability of the firm to hold their customers in such a way that defection or switching does not occur (Rootman, Tait &

Sharp, 2011). For Rootman et al. (2011) good customer relationship positively influences customer retention in the banking industry. Despite that, most banks are more interested in acquisition of more new customers, instead of retaining old ones (Okolo et al., 2021). In support of this view, Soimo et al. (2015) submitted that customer acquisition is less profitable that customer retention. Underpinning this, Rootman et al. (2011) stated that customer retention generates increased sales, more profitability, lower costs of attracting new customers and referrals. It can equally lead to increased market share, better image and reputation, attraction of foreign direct investment and cost savings (Okolo et al., 2021; Mahapatra & Kumar, 2017).

In addition, customer retention is lacking across industries notwithstanding that there is a consensus that emphasizing on customer retention can yield substantial economic and social benefits (Buttle, 2004). A study revealed that customer retention was influenced by Equity bank's involvement in community development, customers' perception of the bank's stability and reliability (Ouma et al., 2013).

EmpiricalStudies

Okolo et al. (2021) in their study to investigate the influence of customer feedback on customer retention in deposit money banks in South-Eastern Nigeria revealed that customer retention was significantly and positively influenced by customer feedback. In that study, survey was adopted and questionnaire was administered to 384 customers who correctly filled and returned 300. The study target population includes customers of Access Bank, UBA and First Bank in South-Eastern Nigeria who were conveniently intercepted.Simple linear regression analysis of data was conducted with the aid of statistical package for social sciences (SPSS) software version 22.

Nasr et al. (2014) explored the impact of customer feedback on the well-being of service entities. Participants were selected from middle and top management (e.g., bank branch manager, key account manager, customer experience coach, network manager, section manager) to get deeper insights into the companies' customer feedback systems. The key topics explored during the interviews include: Attitudes towards customer feedback in general, current feedback management system in place, perception of positive customer feedback, perceived variations and impacts of positive customer feedback, the dissemination of positive customer feedback within the organization, the perceived accuracy and validity of the received positive customer feedback. Content analysis was employed in analyzing the data. The study found that customer feedback has significant impact on organization's outcomes.

Chikosha and Vutete (2016) examined the effectiveness of customer complaints handling systems in commercial banks in Harare. The study was carried out through the quantitative approach taking cross section survey as a research survey. A total of 200 customers were surveyed across 10 banks. The data generated were analyzed using descriptive statistics. The study found that the critical customer complaints from the study include high transaction charges, rigid credit facility application requirements, high interest rates, lack of product variety and inconsistencies in turnaround time for electronic transfers.

Metwally (2013) examined complaint handling in the airline industry and how it enhances customer loyalty in Egyptair. This study was aimed at understanding how customer complaints are managed in the airline industry. Further, it provides in-depth analysis and understanding of the issues studied including customers' evaluation of complaints handling, staff commitment to complaints' handling, and the mechanism of receiving and handling complaints in Egyptair. Customers were randomly selected at the check in desk, as well as Egyptair office at Cairo airport. Data were collected using four main sources: documents, questionnaires, and interviews. The data generated were analyzed using descriptive statistics. The study found that managing complaints was unsatisfactory to customers. All customers included in the study reported their dissatisfaction with one or more issue was related to handling their complaints in Egyptair.

Obasi (2012) investigated the impact of customer complaints on marketing performance in the service industry (A case study of MTN Nigeria). The major objective of this work is to establish the relevance of customer complaints and how service companies have fared or failed in handling customers' complaints. Chi-square was employed in analyzing the data. The findings of the study revealed that there are significant differences in the operation, benefits and perception of customer complaints handling by service oriented companies in Nigeria when compared with non-service companies.

Agu, Benson-Eluwa and Nto (2017) assessedemployee complaint management systems in the Nigerian Oil and Gas Industry. The study assessed oil and gas employees' views of the employee complaint management systems in their firms vis-a-vis the Commonwealth Ombudsman Standard. Three oil and gas servicing firms in Lagos State were used for the study. Respondents were randomly selected to provide answers to the structured questionnaire. A sample size of 236 was adopted for the study while stated hypotheses were tested using paired samples *t*-test of difference. Also, variables in each element hypothesized were measured using the ordinal multiple regression analysis to ascertain contribution of each variable to the tested element. The study revealed that employees' rating of the complaint handling systems in their firms in terms of culture, principles, process, people and analysis were significantly lower when compared with international standards. The study recommend that oil and gas firms should adopt the new proposed model in evaluating their efforts in employee complaint handling and that complaint lodging and resolution systems should be transparent, fair and devoid of victimization as this will enhance productivity and overall organizational performance.

Mayombo (2014) examined the influence of customer complaint behavior, firm responses and service quality on customer loyalty of mobile telephone subscribers in Uganda. The study objectives were to determine the statistically significant relationship between customer complaint behavior and customer loyalty; and examine the influence of firm responses on customer loyalty; assess the statistically significant influence of customer complaint behavior on service quality and to examine the influence of service quality on customer loyalty. The study sought to establish the moderating effect of firm responses on the relationship between customer complaint behavior and customer loyalty and to establish the mediating effect of service quality on the relationship between customer complaint behavior and customer loyalty. Descriptive statistics and inferential statistics like factor analysis, correlations and regression tests were employed in analyzing. Results showed that the influence of customer complaint behavior on customer loyalty within mobile telephone companies was both directly and partially moderated by firm responses and mediated by service quality. Both influences were positive and statistically significant. Service quality had direct positive significant correlations with customer Loyalty. Customer complaint behavior had a statistically positive significant effect on customer loyalty. The joint effect of customer complaint behavior, firm responses and service quality on customer loyalty was statistically significant.

Methodology

The researcher employed survey method by administering structured questionnaire to gather primary data from customers of First Bank Nigeria Plc and Zenith Bank Plc representing the tier 1 deposit money banks, Union Bank of Nigeria Plc and Fidelity Bank Plc representing the tier 2 deposit money banks while Polaris Bank, and Sterling Banks representing the tier 3 deposit money banks. The branches of these deposit money banks in Umuahia, Awka, Abakiliki, Enugu and Owerri representing the capitals of Abia State, Anambra State, Ebonyi State, Enugu State and Imo State in South-East geopolitical zone were conveniently selected. The scope covered customer complaints and feedback management and customer retention in deposit money banks in South-Eastern Nigeria. The population includes customers of the above banks selected using convenience sampling technique. The reliability of the study is 0.773 determined using Cronbach's alpha. The sample size was 384 determined using Cochran's method of determining an unknown population. From of the 384, 300 were correctly filled, returned and validated. Analysis of data was done using Pearson'sproduct moment correlation coefficient with the aid of Statistical Package for Social Sciences (SPSS) software version 22.

Data Presentation and Analysis

Here, the data generated from the customers of the sampled deposit money banks in South-Eastern Nigeria were presented in frequency tables and analyzed using statistical tool. The analysis was done with descriptive and inferential statistics with the aid of SPSS version 223.0.

Table 1. Coded responses on the relationship between customer complaints management and customer retention in deposit money banks in South-Eastern Nigeria.

S/No	Questionnaire items	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	Total (Freq)
		Freq	Freq	Freq	Freq	Freq	
1	My bank assigns adequate time to resolve my complaint	94	73	65	51	27	310
2	Employees of the bank are never too busy to resolve customer‘s complaint	92	78	64	44	32	310
3	When you encounter any problem, bank shows sincere interest in resolving it	89	74	59	53	35	310
4	Customer complaints if not recovered by a particular branch is referred to other branches, via customer contact centre or headquarter	93	87	52	43	35	310
5	Bank employees say “we are sorry for the poor service” experienced by you	140	93	30	25	22	310
6	Effective bank response to your complaints retain you as the bank’s customer	157	95	31	17	10	310
TOTAL		**665**	**500**	**301**	**233**	**161**	**1800**

Source: fieldwork 2019

In Table 1, based on the aggregate response, a total of 665 indicated strongly agree, 500 indicated agree, 301 indicated undecided, 233 indicated disagree, while 161 indicated strongly disagree respectively. This implies that customer complaint management has a significant relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Hypothesis One

H1:Customer complaints management has a significant relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Table 2. Descriptive Statistics

	Mean	Std. Deviation	N
Customer Complaints	**3.4720**	**1.32938**	**930**
Customer Retention	**3.8989**	**1.24350**	**930**

Table 3. Correlations

		Customer Complaints	Customer Retention
Customer Complaints	**Pearson Correlation**	**1**	**.928****
	Sig. (2-tailed)		**.000**
	N	**930**	**930**
Customer Retention	**Pearson Correlation**	**.928****	**1**
	Sig. (2-tailed)	**.000**	
	N	**930**	**930**

****. Correlation is significant at the 0.01 level (2-tailed).**

Table 2 shows descriptive statistic of the extent to which customer complaints management relates with customer retention in deposit money banks in South-Eastern Nigeria. The mean value of customer complaints management is 3.4720, while the standard deviation is 1.32938. Also, the mean value of customer retention in deposit money banks in South-Eastern Nigeriais 3.8989 while the standard deviation is 1.24350. By careful observation of standard deviation value, it can be said that there is about the same variability of data points amongst dependent and independent variables. This implies that customer complaints management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Also, Table 3 shows Pearson correlation coefficient for customer complaint management and customer retention in deposit money banks in South-Eastern Nigeria. The correlation shows 0.928. This value indicates that correlation coefficient is significant at 0.05 level (2 tailed) and implies that there is a significant positive relationship between customer complaints management and customer retention in deposit money banks in South-Eastern Nigeria. ($r = 0.928$). The computed correlation coefficient is greater than the table value of $r = 0.195$ with 228 degree of freedom (df n-2) at alpha level for a two tailed test ($r = 0.928$, $p < 0.05$). We therefore accept the hypothesis.

Table 4. Coded responses on the relationship between customer feedback management and customer retention in deposit money banks in South-Eastern Nigeria.

S/No	Questionnaire items	Strongly agree	Agree	Undecided	Disagree	Strongly disagree	Total (Freq)
		Freq	Freq	Freq	Freq	Freq	
1	You give your bank feedbacks on their services	91	76	69	45	29	310
2	You forward your feedback each time you notice a good experience with the bank	83	61	64	60	42	310
3	You give your bank feedback in form of commendations for services well rendered	68	56	81	63	42	310
4	You make suggestions to your banks for service improvements	86	47	74	73	30	310
5	My bank gives due attention to my feedback	60	43	90	65	52	310
6	Customer feedback can help banks in redesigning their services production process	137	95	51	17	10	310
TOTAL		**525**	**378**	**429**	**323**	**205**	**1860**

Source: fieldwork 2019

In Table 4, based on the aggregate response, a total of 525 indicated strongly agree, 378 indicated agree, 429 indicated undecided, 323 indicated disagree, while 205 indicated strongly disagree respectively. This implies that customer feedback management has a significant relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Hypothesis Two

H2: Customer feedback management has a significant relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Table 5. Descriptive Statistics

	Mean	Std. Deviation	N
Customer Feedback	**3.3043**	**1.35071**	**930**
Customer Retention	**3.4430**	**1.33572**	**930**

Table 6. Correlations

		Customer Feedback	Customer Retention
Customer Feedback	**Pearson Correlation**	**1**	**.967****
	Sig. (2-tailed)		**.000**
	N	**930**	**930**
Customer Retention	**Pearson Correlation**	**.967****	**1**
	Sig. (2-tailed)	**.000**	
	N	**930**	**930**

****. Correlation is significant at the 0.01 level (2-tailed).**

Table 5 shows descriptive statistic of the extent to which customer feedback management relates with customer retention in deposit money banks in South-Eastern Nigeria. The mean value of customer complaints resolution is 3.3043, while the standard deviation is 1.35071. Also, the mean value of customer retention in deposit money banks in South-Eastern Nigeriais 3.4430 while the standard deviation is 1.33572. By careful observation of standard deviation value, it can be said that there is about the same variability of data points amongst dependent and independent variables. This implies that customer feedback management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria.

Also, Table 6 shows Pearson correlation coefficient for customer feedback management and customer retention in deposit money banks in South-Eastern Nigeria. The correlation shows 0.967. This value indicates that correlation coefficient is significant at 0.05 level (2 tailed) and implies that there is a significant positive relationship between customer feedback management and customer retention in deposit money banks in South-Eastern Nigeria. ($r = 0.967$). The computed correlation coefficient is greater than the table value of $r = 0.195$ with 228 degree of freedom (df n-2) at alpha level for a two tailed test ($r = 0.967$, $p < 0.05$). We therefore accept the hypothesis.

Discussion of Findings

Findings revealed that customer complaints management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria. ($r = 0.928$, $p < 0.05$). This is consistent with the study conducted by Yakubu and Kadiri (2019) on the paper titled "complaints management strategy and customer retention in mobile service organizations in Nigeria." In their study, Yakubu and Kadiri (2019) revealed that customer retention had a significant positive relationship with customer complaints management strategies. It was specifically discovered that complaints management strategies such as attentiveness, compensation and apology rendered by management to customers as a result of services failures significantly and positively influenced customer retention in the Nigerian mobile telecommunications industry. Similarly, Ang and Buttle (2006) in their study revealed that customer retention was significantly and positively influenced by customer complaints handling process.

Moreover, hypothesis two revealed that customer feedback management has a significant positive relationship with customer retention in deposit money banks in South-Eastern Nigeria. ($r = 0.967$, $p < 0.05$). This is in line with Okolo et al. (2021) who revealed in their study on the influence of customer feedback on customer retention in the Nigerian banking industry that customer retention was significantly and positively influenced by customer feedback. In the same vein, study conducted by Dah and Dumenya (2017) revealed that customer retention was significantly influenced by customer feedback channels such as suggestion box, e-mail, social media, guest comment cards, telephone, one-on-one contact, website, online surveys and questionnaires.

Conclusion

This work examined the effect of customer complaint management and feedback management on customer retention with banks in South-Eastern Nigeria. The study revealed that banks' response to complaints management has significant positive relationship with customer retention. In the same manner, customer feedback management was revealed to have a significant positive relationship with customer retention. The study therefore concludes that both complaint and feedback management has significant positive relationship with customer retention in deposit money banks in South East Nigeria. Consequently, by designing an effective complaint and feedback management system, deposit money banks have the opportunity to acknowledge customer complaints and accept and implement customer feedback to exploit this information in improving service delivery, reduce service failures, avoid future negative experiences, and consequently reestablish improved customer retention. Therefore, banks should solicit complaint from their customers to enable identify troubled spots that when adequately managed will go a long way towards serving customers better. Also, banks should instigate feedback from customers and when those feedbacks are received, they should endeavor to implement it to continuously innovate and improve on their services delivery process. They should also embark on continuous training and retraining of their staff on effective customer complaints and feedback management in order to enhance their customer retention and overall profitability.

References

Aghamirian, B., Dorri, B., & Aghamirian, B. (2015). Customer knowledge management application in gaining organization's competitive advantage in electronic commerce. *Journal of Theoretical and Applied Electronic Commerce Research*, pp. 63-78

Agu, G. A., Benson-Eluwa, V., & Nto, P. C. (2017). Employee complaint management systems in the Nigerian Oil and Gas Industry: A comparison with the Commonwealth Ombudsman Standard. *International Journal of Business and Finance Management Research*, 5, pp. 33-41.

Andreassen, T.W. (2001). From disgust to delight: Do customers hold a grudge? *Journal of Service Research, 4, pp.* 39-49.

Ang, L. & Buttle, F. (2012). Complaints-handling processes and organizational benefits: An ISO 10002-based investigation. *Journal of Marketing Management*, 28(9-10), pp. 1021-1042.

Ang, L., & Buttle, F. (2006). Customer retention management processes: A quantitative study. *European Journal of Marketing*, pp. 40, 83-99.

Ateke, B. W., & Kalu, S. E. (2016). Complaint handling and post-complaint satisfaction of customers of eateries in Port Harcourt, Nigeria. *International Journal of Research in Business Studies and Management*, 3(12), pp. 16-26.

Ateke, B. W., Asiegbu, I. F., & Nwulu, C. S. (2015). Customer complaint handling and relationship quality: Any correlation? *Ilorin Journal of Marketing*, 2(2), pp. 16-34.

Ball, D. (2004). The role of communication and trust in explaining customer loyalty. *European Journal of Marketing*, 38(9-10), pp. 1272-1293.

Brush, T.H., Dangol, R., & O'Brien, J.P. (2012). Customer capabilities, switching costs, and bank performance**.** *Strategic Management Journal*, John Wiley & Sons, Ltd.

Buttle, F. (2004). Customer relationship management: Concepts and tools. Oxford: Elsevier.

Chikosha, F. & Vutete, C. (2016). The effectiveness of customer complaints handling systems in the commercial banking sector: A case study of commercial banks in Harare. *GreenerJournal of Business and Management Studies*, 6(1), pp. 21-27.

Dah, H.M.M., & Dumenya, A. (2016). Investigating customer feedback channels in the hotel industry: the case of Ho – Ghana. *European Scientific Journal*, 12(26), pp. 353-369.

Du Pereez, J.L., Tate, M., & Nili, A. (2015). Developing a methodology for online service failure prevention: Reporting on an action design research project-in-progress. *Australasian Conference on Information Systems*. 2015, Adelaide.

Estelami, H. (2000). Competitive and procedural determinants of delight and disappointment in consumer complaint outcomes. *Journal of Service Research*, 2, pp. 285-300.

Fillip, A. (2013). Complaint management: A customer satisfaction learning process. *Procedia - Social and Behavioral Sciences*, 93, 271-275.

Fornell, C., & Westbrook, R.A. (2004). The vicious circle of consumer complaints. *Journal of Marketing*, 48, pp. 68-78.

Grainer, M. (2003). *Customer care: The multibillion dollar sinkhole: A case of customer rage unassuaged*. Alexandria, VA: Customer Care Alliance.

Gupta, K., Belkadi, F., & Bernard, A. (2017). Evaluation and management of customer feedback to include market dynamics into product development: satisfaction importance evaluation (SIE) model. *In: Proceedings of the 21st International Conference on Engineering Design (ICED17).*Vol. 4: Design Methods and Tools, Vancouver, Canada, 21.-25.08.2017.

Hallbera, E., & Guorun, Á.T. (2012). *Turning customer feedback into a product improvement resource: A case study at a medium sized mechanical company*. (Master’s Thesis, Chalmers University of Technology), Sweden.

Hart, C.W.L., Heskett, J.L. & Sasser, W.E. (2010). The profitable art of service recovery. *Harvard Business Review,* 68, pp. 148-156.

Havier, D. (2019).Building competitive advantage through customer experience management.*Acta academicakarviniensia*, XIX(2), pp. 28-41

Ibojo, B.O. (2015). Impact of customer satisfaction on customer retention: A case study of a reputable bank in Oyo, Oyo State. Nigeria. *International Journal of Managerial Studies and Research (IJMSR),* 3(2), pp. 42-53.

Keramati, A., Ghaneei, H., & Mirmohammadi, S.M. (2016). Developing a prediction model for customer churn from electronic banking services using data mining. *Financial Innovation*, 2(10), pp. 1-13. DOI 10.1186/s40854-016-0029-6.

Kodua, P., Narteh, B., Braimah, M., & Mensah, P. (2016). The role of corporate social responsibility in influencing brand loyalty: Evidence from the Ghanaian telecommunication industry. *Journal of Business and Economics,* 7(11), pp. 1895-1906. DOI: 10.15341/jbe(2155-7950)/11.07.2016/015.

Leal, R.P., & Pereira, Z.L. (2003). Service recovery at a financial institution. *International Journal of Quality & Reliability Management,* 20(6), pp. 646-663.

Lepkova N., Butkiene E., & Bełej M., (2016). Study of customer satisfaction with living conditions in new apartment buildings. *Real Estate Management and Valuation,* 24(3), pp. 52-70.

Liang, D., Ma, Z., & Qi, L. (2013). Service quality and customer switching behavior in China’s mobile phone service sector. *Journal of Business Research,* 66(8), pp.1161-1167.

Lovelock, C. H., & Wirtz, J. (2011). *Services marketing: People, technology, strategy*, 7th Edition. Boston: Prentice Hall.

Mahapatra, S.N., & Kumar, P. (2017). Customer retention: A study on Indian banks. *International Journal of Research – GRANTHAALAYAH,* 5(7), pp. 484-492.

Malyadri, P., & Sirisha, S. (2015). A Study on the impact of banking ombudsman scheme on service quality provided by banks. *American Journal of Business, Economics and Management.* 3(6), pp. 324-329.

Mashingaidze, S. (2014). Customer experience management: New game strategy for competitiveness. *Journal of Governance and Regulation,* 3(3), pp.51-60.

Mayombo, M. B. (2014). *The influence of customer complaint behaviour, firm responses and service quality on customer loyalty of mobile telephone subscribers in Uganda.* (Ph.D. Thesis, University of Nairobi). Kenya.

McCarty, T., Daniels, L., Bremer, M., & Gupta, P. (2005). *The six sigma black belt handbook.* New York: McGraw-Hill.

McCollough, M.A., Berry, L.L. & Yadav, M.S. (2000). An empirical investigation of customer satisfaction after service failure and recovery. *Journal of Service Research*, 3(2), pp. 121 - 137.

Metwally, D. (2013). Complaint handling in the airline industry: The way to enhance customer loyalty. *Mediterranean Journal of Social Sciences*, 4(10), pp. 299-311.

Msoka, C.M., & Msoka, E.M. (2014). Determinants of customer retention in commercial banks in Tanzania.*Journal of Finance and Bank Management*, 2(1), pp. 09-30.

Muketha, J.K., Thiane, K., & Thuranira, L. (2016). Influence of relationship marketing on customer retention in the branches of commercial banks in Meru town, Kenya. *International Journal of Advanced Multidisciplinary Research*, 3(11), pp. 20-61.

Mourtzis, D., Vlachou, E., Zogopoulos, V., Gupta, R.K., Belkadi, F., Debbache, A., & Bernard, A. (2018). Customer feedback gathering and management tools for product-service system design. *Procedia CIRP*, 67, pp. 577-582.

Narteh, B. (2013). Determinants of students' loyalty in the Ghanaian banking industry. *The TQM Journal*, 25(2), pp. 153 - 169.

Nasr, L., Burton, J., Gruber, T., & Kitshoff, J. (2014). Exploring the impact of customer feedback on the well-being of service entities: A TSR perspective. *Journal of Service Management*, 25(4), pp. 531-555.

Nimako, S.G. M. (2012). Customer dissatisfaction and complaining responses towards mobile telephony services. *The African Journal of Information Systems*, 4(3), pp. 82-99.

Njoku, M.E., Nduka, C., & Okocha, E.R. (2016). Brand-switching in Nigerian banks: Evidence from critical incidents. *Global Journal of Business Research*, 9(3), pp. 83-89.

Obasi, I.A. (2012). *Impact of customer complaints on marketing performance in the service industry (A case study of MTN Nigeria).* (MBA Thesis, University of Nigeria Nsukka). Nigeria.

Obasi, O.K., Abugu, J.O., & Chukwu, A.M. (2020). Bank service complaint handling: effects on bank customers' satisfaction in Nigeria.*Journal of Marketing and Consumer Research*, 67, pp. 33-46.

Okolo, V.O.A., Ikpo, K.P., & Obikeze, C.O. (2021). Influence of customer feedback on customer retention in deposit money banks in South-Eastern Nigeria. *British Journal of Management and Marketing Studies*, 4(1), pp. 1-16.

Okolo, V.O., Agu, O.A., Obikeze, C.O., & Ugonna, I.A. (2015). Evaluating the effect of customer loyalty strategies on customer satisfaction among selected global system for mobile communications (GSM) services providers in South-Eastern Nigeria. *International Journal of Development Research*, 5(7), pp. 5162-5171.

Okyere, S., Anna, J., & Anning, K.S. (2015). Evaluating the effect of lead time on quality service delivery in the banking industry in Kumasi metropolis of Ghana. *Journal of Arts and Social Sciences*, 4(7), pp. 29-44.

Olagunju, M.M. (2014). *Effect of training on employees' performance in Nigerian Banking Industry*. Bloomington, Indiana: Author House.

Oleksiy, K. (2015). Customer feedback system: *Evolution towards semantically-enhanced systems*. *A paper presented at the 11th International Conference on Web Information Systems and Technologies*.

Osti, R. (2016). *Consumer Feedback Analysis: What is consumer feedback and why is it so relevant for your business?*Amsterdam: Wonderflow BV.

Ouma, B. O., Ndirangu, A. W., Munyaka, F. G., George, G. E., Mandere, E.N., Maringa, A.K., ... Maswari, E. (2013). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research,* 17(2), pp. 231-241.

Patwary& Omar, (2016). An overview of consumer complaining behavior and the choice of complaint channels in service industry. *International Journal of Business and Technopreneurship*, 6(2), pp. 309-318.

Pelsmacker, P., Tilburg, S., & Holthof, C. (2018). Digital marketing strategies, online reviews and hotel performance. *International Journal of Hospitality Management*, 72, pp. 47–55.

Robert-Lombard, M. (2011). Customer retention through customer relationship management: The exploration of two-way communication and conflict handling. *African Journal of Business Management*, 5(9), pp. 3487-3496.

Rod, M., & Ashill, N.J. (2010). Management commitment to service quality and service recovery performance: A study of frontline employees in public and private hospitals. *International Journal of Pharmaceutical and Healthcare Marketing*, 4 (1), pp. 84-103.

Rootman, C., Tait, M., & Sharp, G. (2011). Relationship marketing and customer retention lessons for South African banks. *Southern African Business Review,* 15(3), pp. 183-206.

Salim, A., Setiawan, M., Rofiaty, R., & Rohman, F. (2018). Focusing on Complaints Handling for Customer Satisfaction and Loyalty: The Case of Indonesian Public Banking.*European Research Studies Journal,* 21(3), pp. 404-416

Sashikala, P. (2015). Customer retention in the Indian banking sector -Managing customer churn.*International Journal of Applied Engineering Research*, 10(15), pp. 35567-35584.

Shammout, M.Z., & Haddad, S.I. (2014). The impact of complaints' handling on customers' satisfaction: empirical study on commercial banks' clients in Jordan. *International Business Research,* 7(11), pp. 201-220.

Soimo, V.J., Wagoki, J., & Okello, B. (2015). Influence of relationship marketing on customer retention in commercial banks in Nakuru town, Kenya. *International Journal of Economics, Commerce and Management,* 3(5), pp. 1304-1319.

Stewart, N., & QuestBack, B. (2016). *The role of feedback management in becoming customer centric.* Hudson: Customer Centricity Inc.

Sullivan, B., Garvey, J., Alcocer, J., & Edridge, A. (2014).*Retail Banking 2020:* Evolution or Revolution? Retrieved from http://www.pwc.com › *banking-2020 › assets › pwc-retail-*

Tronvoll, B. (2012). A dynamic model of customer complaint behaviour from the perspective of service dominant logic. *European journal of Marketing*, 46(1/2), pp. 284-305.

Uppal, U.K. (2010).Customer complaints in banks: Nature, extent and strategies to mitigation.*Journal of Economics and International Finance*, 2(10), pp. 212-220.

Vargo, S.L., & Lusch, R.F. (2008). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science*, 36(1), pp. 1-10.

Wasfi, H., & Kostenko, O. (2014). *The impact of complaint management on customer retention: Banking Industry in Sweden and Lebanon*. (Master Thesis, University of Gavel). Sweden.

Xia, X., Lo, D., Tang, J., & Li, S. (2015). Customer satisfaction feedback in an IT outsourcing company: A case study on the InsigmaHengtian company.*EASE* '15, 1-5.

Yakubu, A., & Kadiri, U. (2019). Complaints management strategy and customer retention in mobile service organizations in Nigeria. *Journal of Good Governance and Sustainable Development in Africa (JGGSDA)*, 4(3), pp. 61-75.

Zairi, M. (2000). Managing customer satisfaction: A best practice perspective. *The TQM Magazine*, 12(6), pp. 389-394.

Zeithaml, V.A., Bitner, M., & Gremler, D. (2009). *Services marketing: Integrating customer focus across the firm*. 5th ed. New York: McGraw-Hill Irwin.