

CLIENTS' ONLINE BANKING COMPLAINTS: A CLIENT PERSPECTIVE

By

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DECLARATION

We, Noxolo Gqokoma and Fundiswa Makapela, hereby certify that:

- the content of this treatise, “Clients’ online banking complaints: A client perspective”, is our own work;
- sources used and quoted have been acknowledged and documents by means of complete references; and
- this treatise has not been previously submitted for a degree at any other tertiary institute.

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EXECUTIVE SUMMARY

The banking industry has different activities that play a major role in the economy. However, while the activities are being performed, certain problems are arising when serving the clients. The purpose of this study is to identify the types of online complaints and whether banking clients are satisfied with the resolving of these complaints. The market conditions are changing, and new operations are affecting the smooth running of the businesses. Furthermore, special attention should be given to technology improvement as clients are able to perform financial transactions without going to the bank. Therefore, online complaints are affecting the banks' operations and these complaints should be resolved in a good manner.

The primary objective of this study is to determine if banking clients are satisfied with the outcome of online complaints received from commercial banks. An empirical investigating was conducted to address the problem statement by quantifying and analysing the relationships between the independent variables (*Services, Products* and *Processes*) and the dependent variable (*Complaints handling*). The aim were therefore to determine if customer satisfaction (as measured by complaints handling) in banks can be improved by resolving online clients' complaints. Recommendations on how the banking industry could improve their daily operations to meet the clients' demands will be based on the empirical results of the study.

The literature review of the study was conducted to accomplish the secondary objectives. Banks are crucial to maintain the safe keeping of savers funds and provision of funds to lenders for their current financial needs. Banks are moving forward with the technological advances, but they may be falling short in managing clients' complaints. There has been a rise in the number of customers' complaints caused by bad services, processes and products. It is importance that banks resolve clients' complaints to eliminate losing clients to competitors.

The positivistic paradigm was adopted for the purpose of this study and such a quantitative approach was also adopted as the researchers' objective is to investigate whether relationships exist between the three independent variables and the dependent variable. To achieve the primary objective of this study, a few hypotheses

were developed. The primary data was collected by means of using a five-point Likert-type scale questionnaire. The population for this study represented clients who make use of banking services in Port Elizabeth using the snowball and convenience sampling approach of 100 respondents were selected.

To confirm results of Pearson product moment correlation, a multiple regression analysis was utilised. The empirical results indicated that statistically significant relationships exist between the two of the independent variables (*Services* and *Products*) and the dependent variable (*Complaints handling*).

To conclude, the major impact within the banking industry is caused by changes that are influenced by clients' demands. Technology advancement is playing a major role in the banking industry and therefore banks need to plan and develop strategies to remain competitive in the market. Therefore, for banks to be successful in the banking industry, banks should focus in resolving clients' complaints and maintain a long-term relationship with their clients. The management team of the banks need to understand the importance of always striving to deliver perfect services especially in sectors such as financial services. In addition, solving clients' complaints, whether the complaints are related to processes, products or services, will assist the banks to overcome perceived failures and improve the quality of services offered to their clients.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE STUDY

The financial services industry, in response to policies implemented by the government, became more complex due to the availability of a wide range of products and services. These products and services use technological systems in line with the world standards for economic activities (Van Zyl, Skerritt, Botha & Goodspeed 2009:30). In addition, the financial services industry also comprises of various financial services providers that facilitate the trading of financial instruments (Van Wyk, Botha & Goodspeed 2011:200). Furthermore, changing market conditions are putting pressure on these financial services providers to remain relevant with the market changes in order to stay competitive and retain loyal clients (Salim, Setiawan, Rofiaty & Rohman 2017:28). Changing Government regulations, improved technology, and the various banking products and services available are also causing clients to reconsider the choices amongst banks, therefore providing clients with more opportunities.

Financial services providers are also responsible to protect their clients' funds as a loss of funds can cause serious consequences for clients, as well as losing public confidence in financial services providers (Dias & McKee 2010:3). The Banking Association South Africa (BASA) states that clients can lodge complaints whenever they wish to do so. The association informs clients on how to lodge complaints or where they need to go if they are not happy with the outcome (Banking Association South Africa 2011:1). According to Dias and McKee (2010:4), clients complain about insufficient cash agents to withdraw from, loss of funds due to fraudulent agents, and clients' information being stolen. According to complaints lodged on BASA (2018) clients complain about bad customer service, unauthorised transactions that go off on their accounts, on their internet banking or at the ATM services, and bad product quality.

Uppal (2010:212) states that financial services providers need to develop an effective and meaningful mechanism that will ensure that clients' complaints are treated fairly and just. The banking industry has implemented a customer care department which deals with all clients' complaints and they have arranged for branch managers to deal with clients' complaints lodged in branches. It is essential for banks to measure the impact of clients' complaints since it is one of the factors that affect the performance of banks in the banking industry. The South African Customer Satisfaction Index (SAcsi) examines customer expectation, customer loyalty, and perceived value and complaints of a bank to obtain an overall score of customer satisfaction (BusinessTech 2015). Customer satisfaction used to be measured face-to-face, telephonically or electronically but lately Web 2.0 is used since its quicker (Cho, Aribarg & Manchanda 2017:2). Therefore, the study will aim to determine if customer satisfaction in banks can be improved by resolving online clients' complaints.

1.2 PROBLEM STATEMENT

The latest statistics measured by the South African Customer Satisfaction Index (SAcsi) reveals the best and worst banks in South Africa when it comes to customer satisfaction. The banks measured in the SAcsi were FNB, ABSA bank, Nedbank, Standard Bank and Capitec Bank, based on their market share. Out of a sample of 16 000 clients, Capitec Bank and FNB came out top with scores of 82.2% and 79.3% which exceeds the SAcsi banking industry average score of 76.3% out of 100%. It is noted in the report that the transformation of banks from a traditional banking environment to digital banking environment has improved customer satisfaction (BusinessTech 2015).

Nedbank Group (2016) states that due to high levels of competition, only the companies that are focused on digital innovation, competitive use of data and excellence in client service survive in the market. According to Standard Bank (2016), the bank focuses on clients' by becoming a digital bank, redesigning operational models, developing people and changing their culture which will gain the bank a long term sustainable competitive advantage. Further, annual spending of R3 billion has been utilised to improve ABSA bank's IT and services offered across the continent, the bank is set to change its technology infrastructure (Barclays Africa 2016). Capitec

Limited (2016) stipulates that remote banking is found to be of vital importance to clients to monitor their accounts through cell phone banking applications (apps), which are the reason why the business has improved their cell phone banking application programs.

The SAcsi measured a score of 79.7% out of 100% for customer satisfaction when it came to banking channels such as ATM's, with Capitec Bank as the leading bank in the banking industry. All banks have maintained high scores for customer satisfaction in banking apps, while FNB continues to be the top leader on mobile banking and online banking in the banking industry. When measuring perceived customer value, Capitec Bank and FNB were rated the most outstanding banks out of the five banks measured. It was also found that Capitec Bank and FNB have the least clients' complaints in the industry compared to the other banks they were measured against. The SAcsi recorded 22% of client complaints in the industry on average.

Clients' complaints in banks with digital systems remains low since customers' expectation are met. The SAcsi shows that amongst the five banks measured, Capitec Bank is a leader in meeting customer expectation. These banks monitor clients' complaints regularly and review the products and services based on information obtained from clients' complaints. The banks have departments in place to deal with clients' complaints such as customer care contact centres or relationship managers. Nedbank Group (2018) states that clients can contact a banker or a relation manager, client complaints helpline or email the bank's specialised complaints team with regards to any complaint they have. Nedbank is dedicated in providing clients with world class service and are willing to assist clients with any complaint while keeping the clients engaged on the complaint progress. If clients are not satisfied with the banks outcomes, they are referred to the banking ombudsman for further resolution.

FNB (2018) offers clients the opportunity of completing a feedback form for complaints they have. Clients will then receive a reference number for the complaint and will be sent a message of receipt of complaint within three days, and the feedback of the complaint will be given within fourteen working days. All complaints received by the bank are reviewed and noted at all the bank's branches. About 4 479 cases were opened in 2014 in relation to the banking industry. Overall 2 879 cases were resolved

in favour of banks (69% total complaints), while 31% of the total complaints were resolved in favour of clients.

While ABSA bank, FNB, Capitec Bank and Nedbank experienced lessor client complaints, Standard Bank stood out strongly with a rise of 66% from 2013 to 2014 of client complaints in the industry. The ombudsman indicated that banks differ according to demographics and structure, which leads to varying client profiles, product mixes and liability to the public. Unauthorised debit orders, ATM and internet banking fraudulent transactions are by far the cases most clients complain about to the ombudsman (Banking Ombudsman 2014). Previous research done by the SAcSi indicates that customer satisfaction is linked to banks achieving customer expectation, perceived customer value, customer loyalty and solving complaints.

This study will focus only on online complaint resolution. It will seek to determine the relationship between customer satisfaction and online clients' complaints. In the SAcSi findings, Capitec Bank and FNB are found to be the leaders on customer satisfaction in the banking industry since they have achieved perceived customer value, obtained low scores on customer complaints and are the most digital banks in the country with products such as mobile banking and internet banking (BusinessTech 2015). Although banks have moved to a more digital banking environment, clients experience has been jeopardised by unauthorised debit orders, ATM scams and online banking scams. The ombudsman report shows that the cases clients report on their website mostly rules in favour of banks rather than clients. With sufficient information to support clients' cases, clients are able to win cases against banks (Banking Ombudsman 2014). Therefore, the study will aim to determine if customer satisfaction in banks can be improved by resolving online clients' complaints.

1.3 RESEARCH OBJECTIVES

The primary, secondary and methodological objectives of the study are formulated in the following sections.

1.3.1 PRIMARY RESEARCH OBJECTIVE

The primary objective is to determine if banking clients are satisfied with the outcomes of online complaints received from commercial banks.

1.3.2 SECONDARY RESEARCH OBJECTIVES

In support of the primary objective, the following secondary objectives were formulated:

- SO¹ To determine what clients complain about online;
- SO² To investigate whether the response time (hourly, daily, weekly or monthly) by financial services providers for the various clients' complaints to resolved complaints are acceptable; and
- SO³ To investigate whether the clients' online complaints are resolved in a satisfactory manner.

1.3.3 METHODOLOGICAL OBJECTIVES

In order to achieve the primary and secondary objectives, the following methodological objectives are presented:

- MO¹ To conduct a literature review on what clients' complain about in the banking industry and client satisfaction;
- MO² To propose a model that reflects the relationships between the various types of complains and client satisfaction;
- MO³ To select an appropriate research methodology and research methods for the study;
- MO⁴ To develop an appropriate measuring instrument to collect the primary data in order to empirically test the hypotheses; and
- MO⁵ To provide conclusions and recommendations to financial services providers regarding the various types of clients' complaints and the solving of these complaints in order to increase client satisfaction.

1.3.4 RESEARCH QUESTIONS

A number of questions are formulated to assist in attaining the primary objective of this study. The research questions are as follows:

RQ¹ What do banking clients complain about online?

RQ² What do banks do to resolve online client complaints?

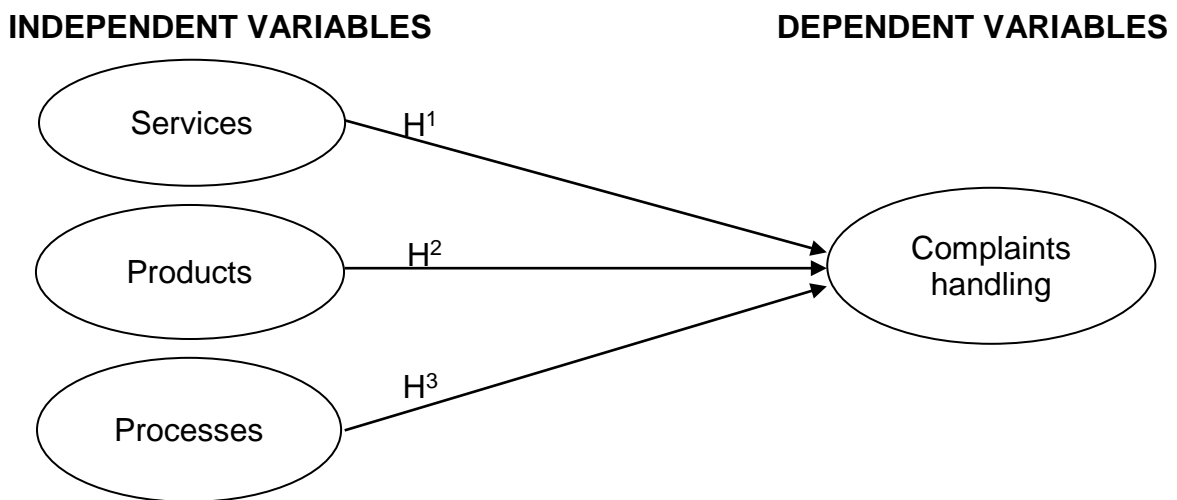
RQ³ Are clients satisfied with the way in which banks solve online complaints?

RQ⁴ If clients are not happy with the outcome received from banks, where can they go to solve complaints?

1.3.5 RESEARCH HYPOTHESES

The hypothesis model, presented in Figure 1, is constructed to assist in determining what factors influence clients' online banking complaints.

Figure 1.1: Hypothesised relationships of the factors influencing *Complaints handling*



Source: Researchers' own construction

1.4 LITERATURE REVIEW OF THE STUDY

There is a need for literature review to be conducted to gain knowledge regarding the concepts of technology and customer satisfaction.

1.4.1 OVERVIEW ON COMMERCIAL BANKS' TECHNOLOGICAL ADVANCES

According to Gil de Zuniga, Puig and Rojas (2009:1), the internet has varied human behaviour significantly. People use the Web to search for information, buying and selling of products, watch television shows, seek mates, search for entertainment and participate in political activities. Jones and Fox (2009:1) state that people utilise the internet to connect and communicate with each other and almost three quarters of American adults and more than 93% American teenagers use the internet. Lenhart (2009:1) suggests that people connect online with people they know and they have more than one online profile. Social media is a mix of internet-based applications such as Facebook, Twitter and MySpace that generate the creation and exchange of texts, visuals and voice notes (Kaplan & Haenlein 2010:61).

IBM Institute for Business Value (2010:1), states that getting closer to clients is an important factor for Chief Executive Officer. Social media provides various opportunities for businesses to improve areas that are not doing well (Kaplan & Haenlein 2010:61). Baird and Parasnis (2011:30) conducted a study in various countries, namely United States, Canada, the United Kingdom, France, Germany, India, China, Australia, and Brazil where 1 056 customers and 351 executives of businesses were interviewed for the study. The results of the study showed that 55% of customers interviewed suggested that they do not use social media to connect with businesses' due to privacy and spam reasons. However, 45% of the customers interviewed stated they interact with businesses online if the businesses are honest but 60% of businesses interviewed stated they have regulation stipulating them to be transparent. However, 25% of the businesses were unclear on their responses towards the questionnaire or were unable to disclose information of the business's operations.

Therefore, technological advances have forced the banking industry to be more competitive, putting pressure on banks to improve customer satisfaction to remain

competitive in the market. The advances in IT have improved service experience and therefore improve customer satisfaction by putting clients in control of their accounts daily but the advances also come with challenges that may deteriorate banks' quality service.

1.4.2 OVERVIEW OF CLIENTS' ONLINE COMPLAINTS AND CUSTOMER SATISFACTION

According to the Financial Service Board (2014:3), a complaint is a manifestation of disappointment by clients to a product or service provided to them by a financial service provider. Businesses can use the information obtained from clients' complaints to measure their performance when it comes to services delivered to clients and it also plays a vital role in administrating the businesses ability to achieve a competitive advantage in the market (FSB 2014:5). Businesses that are unable to meet clients' needs may fail in the market, therefore businesses should strive to deliver continuous high levels of excellent client service and provide the right quantity of products or services required at the right time to their clients. This will result in the businesses gaining a competitive advantage and overcoming competitive obstacles, building customer loyalty, offering different products and reduce market costs. (Razminia, Mirsardoo, Shabani & Shafiee 2016:202).

Istanbulluoglu (2017:79) found that clients complaining online on Facebook and Twitter believe that the duration of time taken for feedback is shorter on this social media networks than other media communication methods such as post, email, fax or telephone. Furthermore, in three to six days clients expect businesses to come up with resolutions that meet their requirements or satisfaction. Businesses that do not understand how to deal with clients' complaints in the market will not be sustainable in the long run or build long-term relationships with clients, which may lead to a loss of strategic direction. Managers of those businesses have a negative impact on the performance of future outcomes, as upper-level managers put their focus on the loss of direction at early phase (Yilmaz, Varnali & Kasnakoglu 2016:952).

Istanbulluoglu (2017:79) suggests that clients' online complaints' conditions require clients to be satisfied, through examining clients' complaint content and obtaining

information on the clients' opinion and expectation. However, this information is not always sufficient to resolve the complaint. More information should be gathered from a business's replies to clients' online complaints in order to achieve a positive impact on the business such as personalised and improved client complaint-handling procedures (Istanbulluoglu 2017:79). However, having extreme fixed method procedures to manage clients' complaints may result in creating employee difficulties and can cause the business to shift away from its long-term vision (effectiveness problem) which has an impact on the business's long-term performance expectations. The most appropriate strategy needs to be implemented by the businesses to remain productive in the market while at the same time observing clients' online complaints that may increase productivity (Yilmaz *et al* 2016:952). According to Bloemer and Odekerken-Schroder (2007: 39), resources should not be exhausted on clients that are reluctant to have a long-term relationship with the businesses. However, businesses must take note of those clients since not all those clients are eager to form a relationship with businesses that may result in customer loyalty.

Therefore, businesses need to pay attention to clients' online complaints since these complaints can have a negative influence on the operations of the business. Businesses should also understand clients' online complaints from clients' perceptions. Clients' online complaints need to be addressed in a manner that matches clients' expectations, with faster and convincing replies that lead to higher satisfaction with complaint handling methods (Istanbulluoglu 2017:78).

1.5 RESEARCH DESIGN AND METHODOLOGY

In this section, the research design and methodology adopted in the study is explained.

1.5.1 SECONDARY RESEARCH

Secondary data will take place in the form of collecting secondary data from the internet, books, and journals. An international and national data searches will be conducted at the Nelson Mandela University Library and to date include: Sabinet database; ISAP (National library of South Africa); and Sae Publications; EBSCO: MasterFile Premier, Business Source premier, Academic Source premier; FS Articles

First; Kovsidex; SA Cat and FS Worldcat; ScienceDirect; UPECAT; Google searches; Dialog; Dissertation Abstracts database. Data will be accessed from international and national libraries by means of inter-library loan facilities at the Nelson Mandela University. As far as can be ascertained. The data collected during the secondary research will be used to build a theoretical model identifying various types of clients' online complaints that may influence customer satisfaction.

1.5.2 PRIMARY RESEARCH

Primary data collection from a sample selected using non-probability convenience and snowball sampling will be primary research for this study.

1.5.2.1 Research design, paradigm and methodology

The research design is the beginning point and it is used to create an understanding to how to collect and analyse data, what data needs to be collected, and how the study should appear at the end; (Creswell 2009:3). Firestone (1987:16) states that the quantitative method is associated with positivistic paradigm which holds that behaviour can be explained through objective facts while the qualitative method is associated with the phenomenological paradigm that assumes that there are multiple realities that are socially defined. The quantitative study utilises factors of determination as if one variable influences the other. The quantitative method has regression coefficients that indicate the effect that a change on the independent variable can have on the dependant variable. The qualitative method has more complex view of a world that has limits and opportunities people should consider.

According to Lancaster (2005:66), qualitative data can be defined as data that cannot be constructed to quantitative or numerical analysis and it is seen to be a phenomenon that cannot be or is difficult to quantify (Lancaster 2005:66). Struwig and Stead (2013:4) state that quantitative research is done to test an idea or theory about the relationship between two or more variables. Quantitative data can be used to statistically analyse the collected data that can be quantified and measured (Lancaster 2005:66). Struwig and Stead (2013:4) emphasise that quantitative research is a conclusive research involving large representative samples with fairly organised data

collection procedures. Therefore, a positivistic paradigm using a quantitative research methodology will be adopted for this study.

1.5.2.2 Population, sampling and data collection

Hartas (2010:67) states that a sample representative is an individual or unit of analysis that displays the characteristics and attributes of the typical population. According to Drew, Hardman and Hosp (2008:83), a population is a combination of any evidently defined group of people, objects, or events that are the core of the research study. The study's population is banking clients in the Nelson Mandela Metropolitan area. There are two types of sampling, namely probability and non-probability sampling. Probability sampling involves a random selection allowing all participants to have an equal chance to be chosen from the target population (Hartas 2010:67). Non-probability entails that the probability of any member of the population being chosen is unknown and the selection of the sampling techniques is arbitrary since researchers rely heavily on personal judgment (Struwig & Stead 2013:4).

The current study will utilise the non-probability sampling method (convenience) since the probability of any member of the population being chosen is unknown. A convenience sampling method is utilised due to availability of respondents being chosen with regards to accessibility and cooperation (Struwig & Stead 2013:116). No sampling frame is available and the sample size will be determined by the number of factors under investigation, which are currently four. Therefore, the sample size is envisaged to be at least 100 (four variables with five items per variable and five respondents per item).

1.5.2.3 Design of the measuring instrument

Self-administered questionnaires, as a measuring instrument, will be distributed to respondents by the researchers. Questionnaires will be distributed to respondents that frequently use financial services. The questionnaire will consist of two sections, namely section A and section B. Section A will focus on various types of online complaints namely services complaints, products complaints and processes complaints. A five point Likert-type scale will be adopted, ranging from, "strongly disagree" (1), "disagree"

(2), “neutral” (3), “agree” (4), to, “strongly agree” (5). Section B will consist of demographic data of each of the respondents in the form of close-ended questions. Data collected in section B will include the gender, population group, age of respondents, bank used, time taken to resolve comments and acceptable time to resolve a complaint. A cover page will accompany the questionnaire, providing the respondents with the purpose of the study, the rights of the respondents and the approximate time it will take to complete the questionnaire. The data will be collected during the months of June and July 2018.

1.5.2.4 Data analysis

Once the data is obtained, the data will be captured in MS Excel and analysed using Statistica 13. The measuring instrument will be tested for face validity (expert opinion), content validity (pilot study) and construct validity (exploratory factor analysis), and reliability (Cronbach’s alpha coefficients). Factor loadings of 0.5 and greater will be accepted as providing construct validity and Cronbach’s alpha coefficients of 0.7 will provide evidence of reliability. Kline (1994) states that the interpretation of reliability is the correlation of test with itself for example.

The estimated reliability increases with a decline in the index of measurement error (Nunnally & Bernstein 1994). According to Cronbach (1951:297), the Cronbach Alpha coefficients is a measure of internal consistency of a test or scale and it ranges between 0 and 1. Internal consistency describes the extent to which all items in a test measure the same content and it is connected to inter-relatedness of items within the test. Basic descriptive statistics will be used to describe the respondents (means and frequencies) and variables (means, frequencies and standard deviations). Pearson product moment correlation coefficients will be calculated to determine the associations between the variables, while multiple regression will be used to test the formulated hypotheses. Bolboaca and Jantschi (2006:6) define the Pearson product moment correlation coefficient as a measure of the strength and direction of a linear relationship between two variables, which describes the direction and degree to which one variable is linearly related to another. The Pearson product moment correlation coefficient values range from -1 to +1, in which +1 indicates that the variables are perfectly linear related by an increasing relationship and a value of -1, indicates that

the variables are perfectly linear by a decreasing relationship, and 0 shows that the variables are not linear related by each another. Creswell (2005:336) defines multiple regression as a statistical technique for analysing the combined relationship of multiple independent variables with a single dependent variable.

1.6 SCOPE AND DEMARCATION OF THE STUDY

The main objective of the study is to determine if customers are satisfied with the solving of online complaints. The study aims to highlight the types of online complaints made by banking clients. The main reason why the study focuses on clients' online complaints is to determine how resolving clients' online complaints can lead to customer satisfaction (as measured by complaints handling) in banks. The literature review of the study will provide a broader explanation of the effect of clients' online complaints resolutions and customer satisfaction (complaints handling) in banks. The empirical study aims to provide an explanation on how solving clients' online complaints can improve customer satisfaction (complaints handling) of banks. The study will focus on clients who use financial services frequently in the Nelson Mandela Metropolitan area. Due to the geographic limitation of the study, the results obtained in the study may not show outcomes of other areas.

1.7 CONTRIBUTION OF THE STUDY

The significance of the study is to provide a clear understanding of what clients complain about online, and the effect the complaints have on banking clients' customer satisfaction. Solving clients' online complaints may have a positive effect on customer satisfaction and it may furthermore assist banks in improving their current marketing strategies as well as their products and/or services. The study will attempt to show a relationship between clients' online complaints and customer satisfaction. The study will show if there is an effect on customer satisfaction with regards to clients' online complaints, and how banks could use clients' online complaints to improve client service experience. The study will assist in determining the variables that affect customer satisfaction with regards to clients' online complaints, such as cash agents, account activities and customer service.

1.8 DEFINITION OF KEY WORDS

Table 1.1 summarises the key words used in the study.

Table 1.1: Key words used in the study

Key Words	Definitions	References
Cash agents/Automated teller machines (ATM)	A machine that clients use to withdraw cash and to access other banking services including for example balance enquiries and prepaid purchases	The Banking Association South Africa (2011:38)
Cell phone banking	A means by which clients can access their accounts using their cell phones.	The Banking Association South Africa (2011:38)
Client complaint	A manifestation of disappointment by clients to a product or service provided to them by a financial services provider.	Financial Service Board (2014:3)
Customer satisfaction	Post-purchase evaluation of a product or service given pre-purchase expectations	Chandrashekar, Rotte, Tax &Grewal (2007:153)
Financial service provider	Facilitates the issuing and trading of financial instruments	Van Wyk <i>et al.</i> (2011:200).
Internet banking	An internet based system that allows clients to transfer money between their accounts, pay bills, see statements and perform other transactions over the internet	The Banking Association South Africa (2011:41)
Savings account	An account that a client mainly uses for saving money and earn interest on such savings, which can be withdrawn at any time	The Banking Association South Africa (2011:43)
Transaction account	An account into which a client can make or receive deposits and make third party payments	The Banking Association South Africa (2011:44)

1.9 STRUCTURE OF THE STUDY

The study will comprise of five chapters.

CHAPTER 1: INTRODUCTION TO THE STUDY

Chapter one presents the introduction and background to the study to explain what the study is about. The introduction and background will then be followed by the problem statement. Based on the problem statement, the primary and secondary objectives to the study will be formulated, which will give an insight on what the researchers' plans to achieve in completing the study. Methodological objectives are also included to explain how the researchers conduct the study to achieve the objectives of the study. A short literature review on previous literature similar to the current study will be compiled to indicate to the reader what outcomes other researchers obtained from the study topic and what can be expected from the current study topic. The scope, demarcation and significance of the study will be indicated, which will form the foundation to why the researchers are going to go about making the research study a success. The chapter will conclude with the definition of key concepts of the study.

CHAPTER 2: OVERVIEW OF ONLINE COMPLAINTS IN THE BANKING INDUSTRY

In this chapter, literature related to the current study which was done by researchers prior to this research study is gathered and summarised to draw a conclusion of what the outcome might be to the current study. The literature will consist of an overview of banks, services offered by banks, technology in banks, customer services and the banking industry regulations, clients' online complaints in the banking industry customer satisfaction in the banking industry and lastly the summary of the chapter.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

The way in which the study will be conducted will be explained in chapter three. The chapter will examine the research design, the research paradigm, the research methodology and methods that will be followed in this study. The population, sample and type of sampling technique adopted in this study will be addressed. The questions where, how, and what regarding the primary and secondary data collection will be answered. The measuring instrument used to collect valid and reliable data from

respondents will be explained. The statistical methods used to analyse the data will also be discussed.

CHAPTER 4: EMPIRICAL RESULTS

In this chapter, the primary data collected will be analysed and tabulated. This chapter will present and explain the results based on the data collected during the primary data collection. A discussion of the results will be presented in Chapter Four.

CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The final chapter presents a summary of the literature and results to the study. The summary will point out the comparisons between the literature and the results obtained. A conclusion based on the primary and secondary data will be given in this chapter and recommendations will be proposed to commercial banks branch managers regarding clients' online complaints and how to solve the complaints in order to improve customer satisfaction.

CHAPTER TWO

OVERVIEW OF ONLINE COMPLAINTS IN THE BANKING INDUSTRY

2.1 INTRODUCTION

The latest statistics as measured by the South African Customer Satisfaction Index (SAcsi) reveals the best and worst banks in South Africa when it comes to customer satisfaction. The banks measured in the SAcsi were ABSA bank, Capitec Bank, FNB, Nedbank, and Standard Bank. Out of a sample of 16 000 clients, Capitec Bank and FNB were found to be the leaders in customer satisfaction. A reason cited for the high scores for customer satisfaction for both Capitec Bank and FNB is due to their transformation from traditional banking to digital banking environment (BusinessTech 2015).

The primary objective of the study is to determine if banking clients are satisfied with the outcomes received from commercial banks regarding online complaints. In support of the main objective, the chapter focuses on what clients complain about online. According to the Financial Service Board (2014:3), a complaint is a manifestation of disappointment by clients to a product or service provided to them by a financial service provider. HelloPeter (2017a:1) indicates that clients complain online about services, products and processes as bad service, low quality products and inconsistent business procedures affects the customer satisfaction score of banks. Solving clients' online complaints may have a positive effect on customer satisfaction and it may furthermore assist banks in improving their current marketing strategies as well as their products and/or services offerings.

The banking environment transformed from their traditional banking environment to a digital banking environment (BusinessTech 2015:1). The digital banking environment entails clients given control of their accounts from the comfort of their own homes. Digital banking systems such as online banking and self-service terminals for example ATM's and statement printers are amongst the banking applications that are aimed at simplifying clients' experience of the banking industry. Through these banking applications comes consequences of accounts that might be hacked through online

banking or ATM scams that can affect clients' funds negatively (Capitec Bank Intergrated report 2016:1).

Therefore, this chapter will provide an overview of the banking industry and the services offered by banks. In addition, the technology used in the banking industry will be discussed as well as customer services within the banking industry. The chapter will conclude with a discussion of the various types of online complaints and customer satisfaction in the banking industry.

2.2 OVERVIEW OF BANKS

Banks are financial institutions that provide loans, accepts deposits, and offer savings accounts to clients (Van Wyk, Botha & Goodspeed 2011:200). Banks make money through providing loans (motor vehicle loans, mortgages, business loans and personal loans) and charging interest on loans (Corporate Finance Institute 2018:1). Pritchard (2018:1) states that banks are focused on business customers. Businesses need cheque and savings accounts. Businesses accept payments from clients, rely on lines of credit to manage cash flow, and use letters of credit to do business overseas.

The African banking industry consist of central banks and deposit taking institutions. Central banks are independent of government regulations, but the banks work closely with the Ministers of Finance in their states. Central banks assist with formulating and implementing macroeconomic policies of the various governments. The deposit taking institutions consist of local banks and branches or subsidiaries of foreign banks. The most common goal of the banking industry in Africa is to invest in government securities, primarily treasury bills (Allen, Otchere & Senbet 2011:81).

Amongst the five banks measured by the SAcsi for customer satisfaction, Capitec Bank and FNB are the leaders in customer satisfaction. Capitec Bank leads with the banks self-service application that simplify banking for clients. FNB leads due to the banks outstanding online and mobile banking applications (BusinessTech 2015:1). The bank with the lowest customer satisfaction score is ABSA bank. ABSA bank has lost 300 000 clients due to dormant accounts in 2017 that has led to a below average customer

satisfaction score. Nedbank and Standard Bank remain on the average score for customer satisfaction on the SAcsi 2017 (BusinessTech 2017:1).

2.3 BANKING SERVICES OFFERED BY BANKS

Banks provide general services to the public and businesses. Banks ensure economic stability and sustainable growth of a country's economy. A number of services are offered by banks which will be discussed in the following the following sections.

2.3.1 ACCEPTING DEPOSITS

The oldest function performed by banks is deposit acceptance. Banks initially started by charging commission for keeping money on behalf of the public. Due to the changes in the banking industry over the past years and the profitability of the businesses, banks now pay interest to depositors who retain money with them. The depositors also incur administration fees to maintain their accounts. (Van Wyk *et al.* 2011:6). Banks accept three types of deposits. Firstly, saving deposits for small savers who receive interest on their accounts where a cheque is written to withdraw a limited amount of funds from their accounts. Secondly, a current account for clients who can withdraw funds from their accounts without notice. No interest is paid to current accounts but instead the account holders are charged a nominal fee for services rendered. Lastly, term and fixed deposits for clients who have funds they want to save for a period of six or more months. Interest paid on the accounts increases with the length of the fixed deposit. Clients can have access to the funds once the maturity date arises. (Van Wyk *et al.* 2011:68).

2.3.2 ADVANCING CREDIT FACILITIES

Advancing loans are a core function of banks since it accounts for the highest percentage of revenue earned annually by banks. Banks offers short-term and medium-term loans at higher interest rates from a percentage of cash deposits. Long-term loans are not provided by banks due to need to maintain the liquidity of assets. Banks offer loans according to the financial status of the borrower, businesses

profitability, nature and size of businesses, and the ability of a businesses or individuals to repay the loan without default. (Van Wyk *et al.* 2011:29).

2.3.3 CREDIT CREATION

Banks do not give out loans in cash. Banks open deposit accounts for borrowers to withdraw funds. The process of opening a deposit account for borrowers allows borrowers to withdraw funds using a cheque that provides for their current needs. The deposit account eliminates additional money printing and increases the amount of money in circulation in banks. (Van Wyk *et al.* 2011:29).

2.3.4 AGENCY FUNCTIONS

Banks are agents to clients since they help clients in collecting and paying cheques, dividends, interest warrants, and bills of exchange. Furthermore, banks pay insurance premiums, utility bills, rent, and other charges on behalf of their clients. Banks trade shares, securities, and debentures, and they provide advisory services for clients that want to buy or sell these investments. Banks act as trustees and executors of the estate on behalf of their clients. A nominal fee is charged for performing the agency function. (Van Wyk *et al.* 2011:48).

2.4 OVERVIEW OF TECHNOLOGY IN THE BANKING INDUSTRY

Information technology is becoming one of the main drivers in the banking industry. It has an impact on how businesses perform their daily operations (Dangolani 2011:13). Furthermore, there are difficulties in the new development of technologies as businesses are used in operating in their traditional home market. Moreover, the possibility of risks in operations is triggered by the larger geographic markets entered by the businesses (Rynning 2015:253). However, businesses do not have an option than to accept the changes in technology and upgrade to be able to deliver excellent business operations and services to customers. In addition, customers act more quickly to obtain the products and services from businesses than before because of the flow of information between businesses and customers through technology (Ahmadirezaei 2011:23; Rynning 2015:253). Therefore, technology is a tool that plays

a significant role in businesses that could result in poor decision making if it is neglected which may lead to business failure.

Dangolani (2011:13) states that banks have new products, new services and effective delivery channels as a result of technology that enables the banking industry to unlocked new markets. In addition, services such as online, mobile and internet banking are part of technology developments in the banking industry. According to Berger (2003:1), businesses are also making use of financial technologies for internal operations, smooth running of daily operations estimate return distribution, creating new securities and management making decision based on financial data that involved engineering used to create financial derivatives and to manage credit risk and risk models. Ahmadireshaei (2011:24) suggests that information technology plays a significant role in businesses providing solutions to manage businesses bookkeeping and office requirements. Furthermore, one of the outcomes of technology is that the banking industry has the ability to deal with new economy challenges.

The cost of global fund transfers has decreased as a result of improvement in technology and the development of worldwide networks (Dangolani 2011:13). Moreover, businesses can generate income sufficiently to cover the higher costs initiated by improving technology and customers are willing to pay for better quality and variety of businesses services created through technological development (Berger 2003:29). According to Malarvizh and Geetha (2016:160), important changes were made by businesses to keep up with the standard of technology progression in terms of switching from paper-based transactions that involves the use of currency notes, and cheques, to electronic means, which include Real Time Gross Settlement (RTGS) and National Electronic Fund Transfer (NEFT). Therefore technological development in banking industry is essential because of the value it adds for banks in delivering financial services, deposits and payments to other sectors of the economy (Berger 2003:1).

Ahmadireshaei (2011:24) states that banks started during the 1960's to use computerised information processing. In addition, technology adopted by banks in processing information has allowed employees to be able to perform other tasks. Furthermore, employees obtained computer skills through the process of putting into

practice the new system. However, employees needed by bank are fewer, and different skills are required than before the implementation of technology. Not all banks in South Africa have transformed to the digital banking environment, banks only transform to the digital banking environment since they face changing market needs that force them to transform such as poor performance in branches that affects the entire banking system.

One of the development areas in banks' operations is e-banking which is initiated with the fast growth technology and widespread availability of internet facilities. Additionally, e-banking saves time and decreases operation costs for banks (Malarvizhi & Geetha 2016:163). Furthermore, customers using e-banking feel that they have control over their financial accounts and that their information is secured when using e-banking as the device is permanently with them (Ramos, Ferreira, Freitas & Rodrigues 2018:186). However, because of the risk associated with e-banking such as fear of hacking, technical uncertainty and the possibility of losing data, customers are unwilling to use e-banking. Moreover, customers have the right to choose which bank transactions will be suitable for their needs. Furthermore, a study by Malarvizhi and Geetha (2016:164) found that the respondents who prefer e-banking are between the ages of 20 and 30 years.

Dangolani (2011:15) states that because of the role of technology in banks' daily operations, information management is important. Additionally, technologies affect the way banking and financial services are delivered to meet customers' demand. According to Amadirezaei (2011:4), positive outcomes of technology is that customers are attracted to experience the new services offered by businesses and are able to use the services at a time convenient for them, therefore, increasing the demand for the businesses. However, as businesses are performing well to satisfy customers by delivering the right products and services, it is necessary to evaluate the structure of both the technological progress and businesses industry production growth. Additionally, technology improvement assists managers to identifying key areas where poor performance is taking place and were unaware of (Berger 2003:28).

As a result of the influence of technology in the banking industry, new entrants emerge in the market. In addition, banks are required to lower their costs due to economic

pressure. Furthermore, the main aim of banks is to achieve economy of scale. Moreover, for sustainability purposes banks may consider forming partnership with other businesses (Dangolani 2011:15). According to Rynning (2015:252), the tool used to retain customers and to prevent possible competitors entering the market, was for banks to have number of branches around specific places before technology came. Due to the influence of technology, customers perform their own banking using the internet or mobile banking. Furthermore, personal banking does not depend on the location as customers have internet access 24 hours a day to perform personal financial transactions. (Malarvizhi & Geetha 2016:167).

Technology advancement is a continuous process and businesses need to be up to speed regarding these changes. Additionally, innovation in ATMs overseas are already in place, for example, in India biometric authentication is already in use. Furthermore, changes in ATMs are likely to involve contactless payments where customers will be able to conduct contactless ATM transactions using a smartphone (Csisazar 2018). According to Dangolani (2011:13), technology remains the cornerstone of recent business sectors with the aim to increase the level of services delivery and reliability of businesses operations. Therefore, businesses should always be alert of changes in technology and upgrade its current service line to offer excellent services to their customers.

2.5 OVERVIEW OF CUSTOMER SERVICE AND THE BANKING INDUSTRY REGULATIONS

In the banking industry, excellent customer service is the most important tool to sustain business growth. Customer satisfaction and service should be the core concern of any bank. Therefore, banks minimise customer complaints and grievances through proper service delivery and review mechanism and ensuring prompt redress of customer complaints and grievances (Uppal 2010:212). Customer complaints in the banking industry are inevitable. Banks provide services to different customers that perceive the services differently. Customers develop expectations of services that may not match their perceptions, resulting in customer dissatisfaction and complaints (Kitapci & Dortyol 2009:932).

2.5.1 THE CODE OF BANKING PRACTICE IN THE BANKING INDUSTRY

The Banking Association of South Africa (2011:3) state that the Code of banking practice is a voluntary code that derives the minimum standards for service and conduct that clients can expect from banks with regards to services and products offered, and how banks can relate to their clients. According to the Banking Association of South Africa (2011:4), customers have certain entitlements and responsibilities in terms of the code which will be discussed in the sections to follow.

2.5.1.1 Client entitlements

Firstly, banks must act fairly, reasonably and ethically towards clients. In addition, banks should provide clients with effective and adequate disclosure of information, including terms and conditions of products and services, in a plain and understandable language format. Staff members should attend to client transactions and enquiries promptly. Lastly, banks should provide clients with at least 20 business days' notice before the implementation of changes in the terms and conditions, fees and charges, the discontinuation of products/ or services and the relocation of premises. (The Banking Association of South Africa 2011:4).

2.5.1.2 Client responsibilities

Firstly, it is a client's responsibility to disclose all relevant information as part of any credit application to the bank so that the bank may make an informed decision to grant credit. A client is responsible to ensure that they do not extend themselves beyond their financial means. Where credit is granted to a client, it is the client's responsibility to ensure that sufficient credit insurance cover is in place to protect the client and/ or their family in the case of losing their regular income. All products and services offered by the bank to the client are governed by a set of general and specific terms and conditions. Lastly, before the bank is allowed by the law to establish a relationship with the client, or from time to time during the existence of such a relationship, the bank is required to perform certain identification and verification steps about the client. (The Banking Association of South Africa 2011:5).

2.6 OVERVIEW OF CLIENTS' ONLINE COMPLAINTS IN THE BANKING INDUSTRY

The level of new complaints within the banking industry has increased compared to insurances and payment protection insurances in 2015. The number of complaints received from clients about banks has increased from 97 793 to 10 637 in the year of 2015 to 2016. Additionally, in fraudulent activities (scams) that are taking place within the banking industry, customers are cheated into using payment services such as money transfer and bankers automated clearing services (BACS). Moreover, customers are experiencing a shift of funds from their current accounts and credit cards as a result of fraudulent money transfers to unknowingly fraudsters (Ombudsman 2016:44). Adams, Bashiru and Abdulai (2016:229) found that in the study conducted in Ghana on shortages of ATMs in banks, the results showed that 21.9% of the respondents did not know if they were satisfied with the number of ATMs, while 35.5% were satisfied. However, 42.6% were dissatisfied with the number of ATMs available in the bank. In addition, the study found that the current ATMs need to be upgraded as customers are experiencing frequent breakdown of ATMs.

Uppal (2010:218) states that the two critical services that lead to customers being unhappy in the daily banking operations are based on credit cards and customer home loans. In addition, special methods need to be developed in the banking industry to improve the services level of credit cards and home loans units. However, businesses are taking to consideration the age of customers before granting home loans to customers. Furthermore, customers are exercising their right according to the Consumer Credit Act 1974 which allows customers to go back to businesses that provided them with credit cards when a problem occurs with the goods procured and services delivered. However, businesses are failing to meet the needs of customers by resolving the problems of the customers (Ombudsman 2016:65).

Customers are dissatisfied with the treatment received from banking employees. Lack of communication and not treating the customers with respect when acquiring about services are some of the major complaints. Moreover, employees need to receive customer services training to deliver excellent services and products to their customers (Adams *et al.* 2016:218-231). Another issue of concern is that customers' active

account has been closed by banks without any clarification and without any notice. In addition, clients complain about a personal belonging left accidentally in the branch and the bank is unable to discover the belonging. However, if the belongings are found, customers will say something else is missing from those belongings (Ombudsman 2016:64).

2.6.1 CUSTOMER SATISFACTION IN THE BANKING INDUSTRY

Consulta (BusinessTech 2017:1) conducted a customer satisfaction survey on five banks, namely, Capitec Bank, FNB, Nedbank, Standard Bank and ABSA bank. The results were presented through the SAcsi report and it was found that Capitec Bank has remained the leader in customer satisfaction for five consecutive years while ABSA bank has been ranked the lowest out of all banks in the current year (BusinessTech 2017:1). Table 2.1 summarises the 2016/2017 and 2017/2018 survey results.

TABLE 2.1: SAcsi results on customer satisfaction in the banking industry

#	Bank	2016/17 score	2017/18 score	Change (point)
1	Capitec Bank	83.1	85.3	+2.2
2	FNB	81.3	81.0	-0.3
2	African Bank	n/a	81.0	New
	<i>Industry Average</i>	76.5	77.0	+0.5
3	Nedbank	77.0	76.3	-0.7
4	Standard Bank	71.9	75.2	+3.3
5	ABSA	74.2	73.3	-0.9

Source: Adapted from BusinessTech (2017:1)

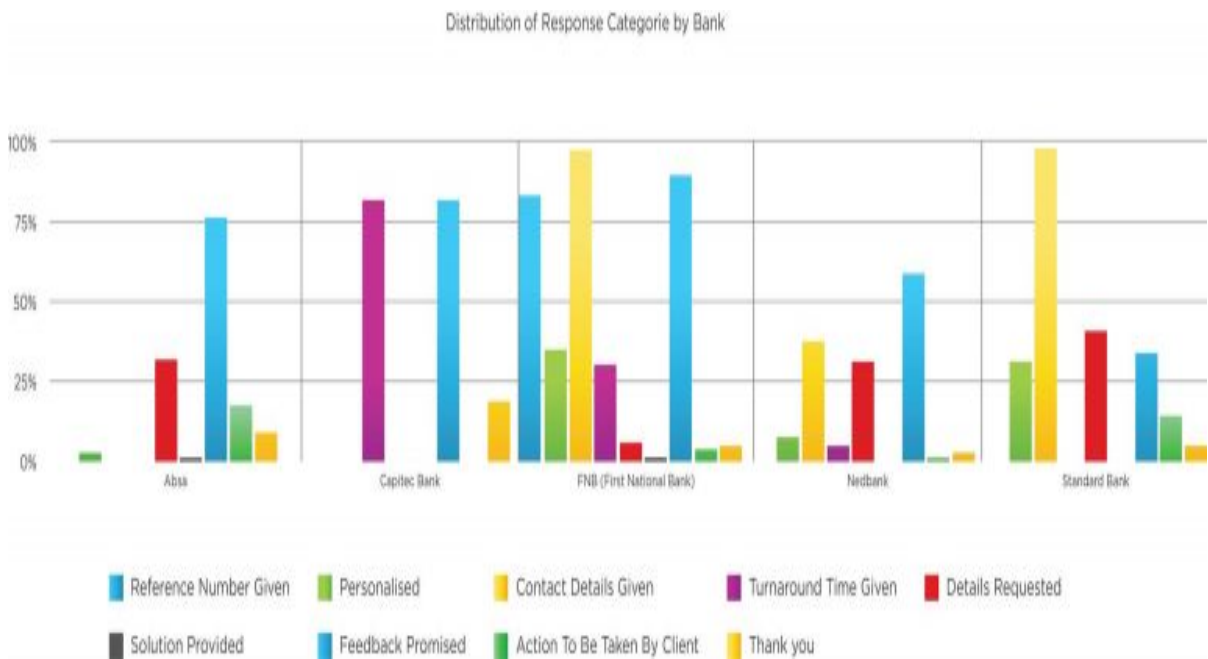
ABSA bank lost 300 000 clients in 2017 due to dormant accounts and that has caused ABSA bank to fall below its average score in 2016. Capitec Bank remains the top bank in terms of the number of clients from the five banks with 9.3 million clients. FNB is

reported as the second leading bank in the banking industry because of its brand name and the bank’s innovation strategies. The SAcSi is based on the brand exceeding or failing to the meet the expectations of clients (BusinessTech 2017:1).

2.6.2 CLIENTS’ ONLINE COMPLAINTS IN THE BANKING INDUSTRY

HelloPeter (2017a:1) conducted a research into the five top banks in South Africa, namely, ABSA bank, Capitec Bank, FNB, Nedbank and Standard Bank. The research was conducted amongst large sample of user generated content from the HelloPeter website from the banking industry. The research goal was to understand clients’ sentiment in the banking industry and how banks could better address complaint resolutions. Figure 2.1 illustrates the types of clients’ online complaints as found on website of HelloPeter.

FIGURE 2.1: Clients’ online complaints resolutions in the banking industry



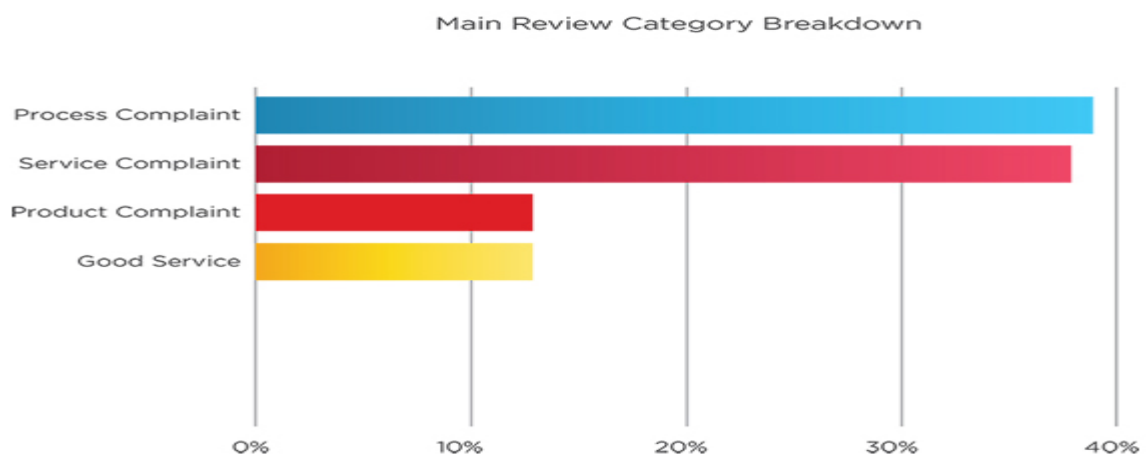
Source: Adapted from HelloPeter (2017a:1)

According to Figure 2.1, Capitec Bank had higher percentages in providing clients with a reference number for complaints (75%) and for providing clients with solutions (75%) to their complaints. FNB also showed high percentages in giving clients a reference number for complaints (80%) and for giving a solution for the complaints (25%). ABSA bank, FNB and Standard Bank need to work on their complaints resolutions

management as they obtained low percentages on complaints management factors such as solutions provided, reference number given, or turnaround time given as presented in Figure 2.1.

Figure 2.2 summarises the banking industry complaints of clients in terms of complain categories.

FIGURE 2.2: Dominating clients' online complaints in the banking industry



Source: Adapted from HelloPeter (2017a:1)

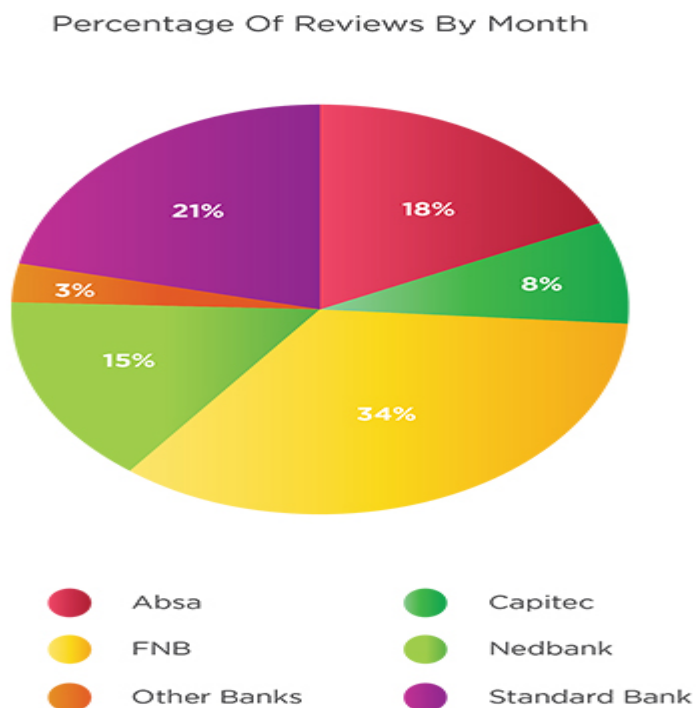
The dominating online complaints from clients in the banking industry were found to be on services, processes and products. The factors that contributed to the high ratings on services, processes and products were failure of the bank to close accounts upon clients' request leading to bank charges, FICA information not being updated accurately, failure to deliver new credit cards and inconsistent information from different bank staff (HelloPeter 2017a:1).

Zendesk (2013:2) survey shows that unfavourable news spreads fast. The survey revealed that 95% of the clients shared bad experiences with other clients, while 87% shared good experiences. It is also indicated that 54% shared bad experiences verbally to more than five people, and 33% shared good experiences verbally to more than five people, while in the online banking environment, 45% shared bad experiences and 30% shared good experiences. HelloPeter (2017a:1) states that complaints are caused by emotions, negativity bias, expectations and clients being pushed for time. Emotionally clients are driven by frustrations and disappointments.

Clients are said to be negatively bias when they receive more negative information rather than positive information. Clients always expect businesses to offer high quality products and services. Clients are pushed for time when they prefer expressing their experiences that cause delays. Therefore, when things do not go well, clients feel that their time was misspent.

Figure 2.3 provides a graphical presentation of clients' online complaints per bank as found on website of HelloPeter.

FIGURE 2.3: Bank reviews on clients' online complaints on HelloPeter



Source: Adapted from HelloPeter (2017a:1)

Banks that respond to complaints within five hours receive higher ratings once the complaints are solved. The fast response time to complaints from banks results in clients' trust being reinstated and that the banks work in the best interest of their clients. Complaints were found to be greater after the holiday season. Clients start realising after the holiday season that their bank accounts are affected by admin errors or incorrect debit orders going off on their accounts. Creating a time frame for resolving complaints by banks is of importance since it contributes to bettering the relationship

between the banks and clients. Clients aged between 30 to 50 years tend to complain more since they have more complex financial needs (HelloPeter 2017a:1).

Most clients know that they have a right to complain about products and services. However, many clients do not know the right channels to follow when complaining. Clients can contact managers or call centres to escalate their complaints. Clients should also write on online complaints sites for their complaints to be recorded and for further investigations into the businesses to be made. Unresolved complaints can be forwarded to the National Consumers Commission or the Ombudsman. Clients should always maintain a calm approach when laying a complaint to management. Clients must remember the time, date and staff member that assisted with regards to the complaint. Clients need to keep a record of the expenses they incurred during the complaints process. In addition, clients should also retain the reference number for the complaint (HelloPeter 2017b:1).

An ombudsman is an official that investigates and addresses complaints that are in the interest of the public. If the rights of clients are violated by businesses, an ombudsman is a useful choice to obtain assistance. Clients can call the ombudsman with the facts of what happened. Clients need to keep record of the correspondence that occurred between them and the businesses in question. Clients must provide a form of identification to the ombudsman such as policy number, account number, businesses involved in complaint and contact details (HelloPeter 2017c:1).

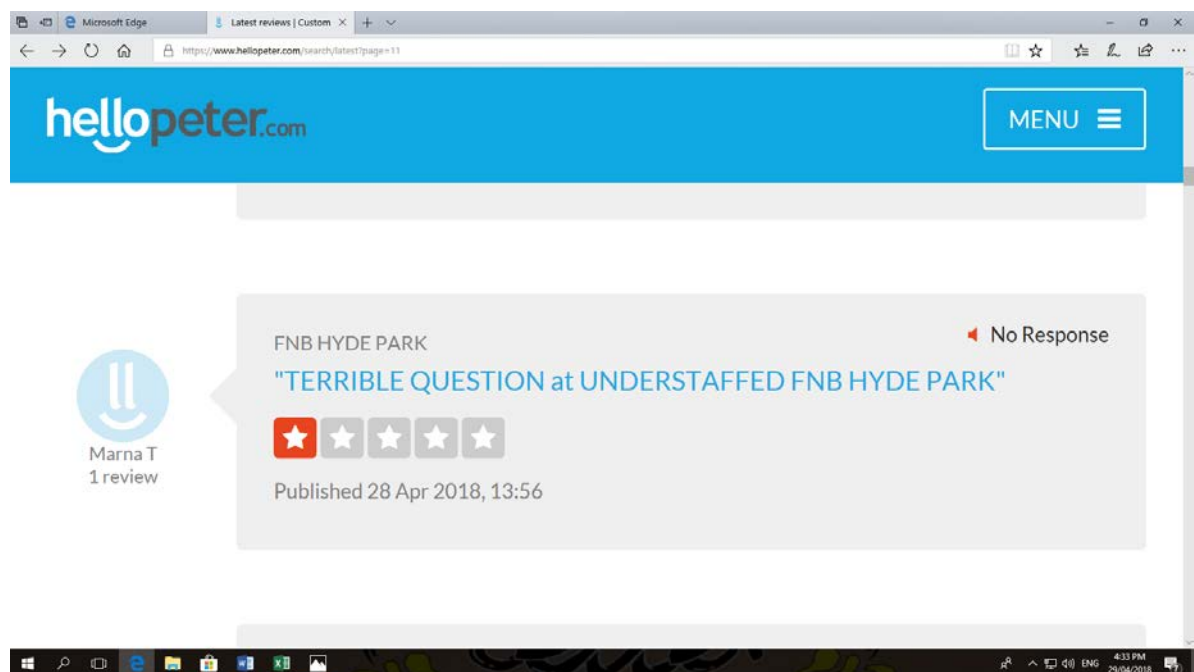
An ombudsman responds to complaints with a letter of acknowledgement that stipulates the actions to be taken to address the complaint. The business involved in the complaint will be contacted by the ombudsman to request an investigation into the complaint. The ombudsman considers both sides of the complaint to make a final decision. Businesses are given six days to respond to the ombudsman. Clients can contact the ombudsman after they have numerously tried other channels such as management, online complaints sites with no reply from the businesses in question. Complaints directed directly to the ombudsman are not considered. Therefore, if clients contact the ombudsman they must have enough evidence to direct complaints to the ombudsman such as reference numbers, continuous complaints on complaint site or paperwork showing reason of complaint (HelloPeter 2017d:1).

Businesses should encourage clients to provide feedback on products and services. Providing transparency, accountability and proactive thinking is vital for businesses. If businesses offer excellent service, they will see a decline in clients' complaints. Learning how to listen to clients' requirements is also of essence to businesses. (HelloPeter 2017b:1).

2.6.3 CLIENTS' ONLINE COMPLAINTS ON SERVICE DELIVERY IN THE BANKING INDUSTRY

The first category of complaints are the complaints regarding the services received by the clients from banks. Figure 2.4 shows an example of a service delivery complaint against FNB.

FIGURE 2.4: Clients' online service complaint on FNB

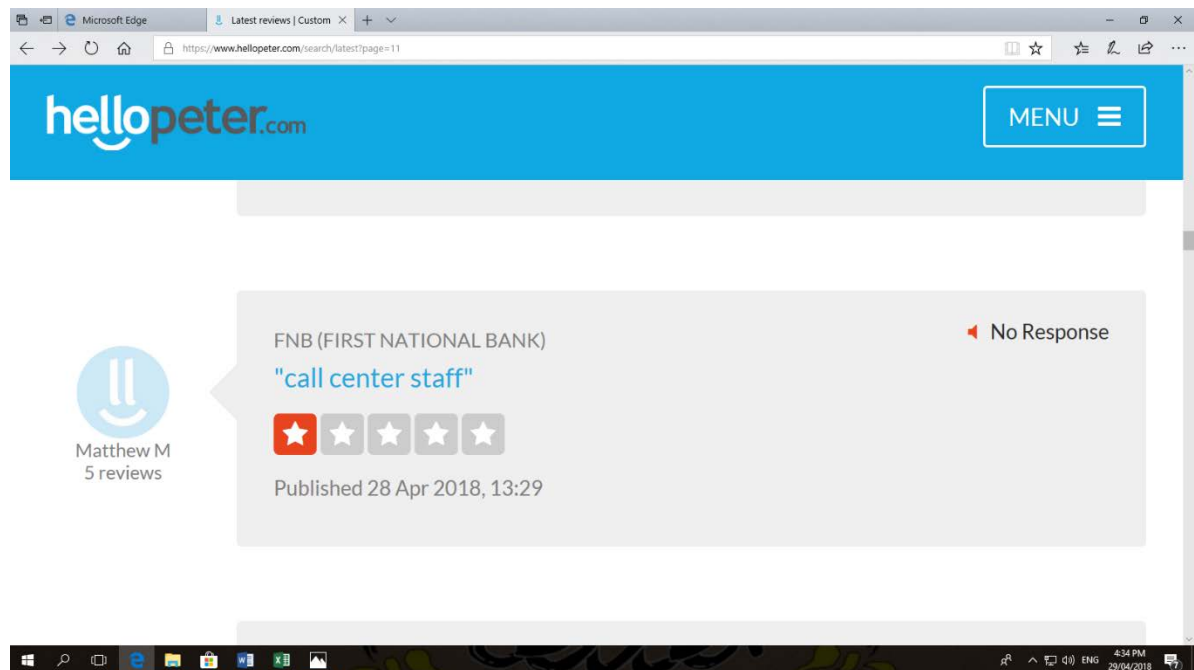


Source: Adapted from HelloPeter (2018:1)

A typical service delivery complaint may be the lack of available staff at the bank. Therefore, understaffing may lead to congested banks and long waiting periods in banks. Peak times in banks may be monitored to reduce congested banking halls. As can be seen from Figure 2.4, FNB has not responded to the online complaint.

Figure 2.5 provides another example of a service delivery complaint.

FIGURE 2.5: Client's online service complaint on FNB

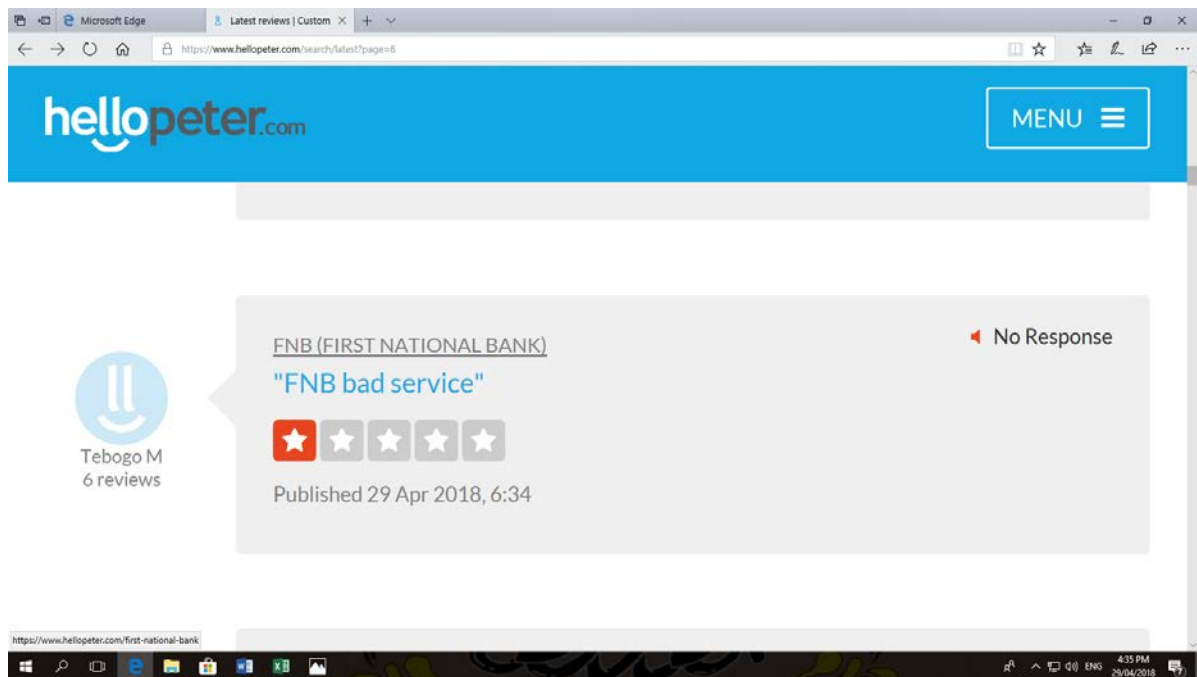


Source: Adapted from HelloPeter (2018:1)

Clients are prompted to call customer care centres for complaints that can take a long time on the telephone. Waiting time on calls placed by clients may be reduced to eliminate long hours of frustrations whilst waiting for contact centre staff to respond. Again, as seen in Figure 2.5, FNB has not responded to the online complaint.

Figure 2.6 shows a complaint regarding a bad service experience from an FNB branch.

FIGURE 2.6: Client's online service complaint on FNB



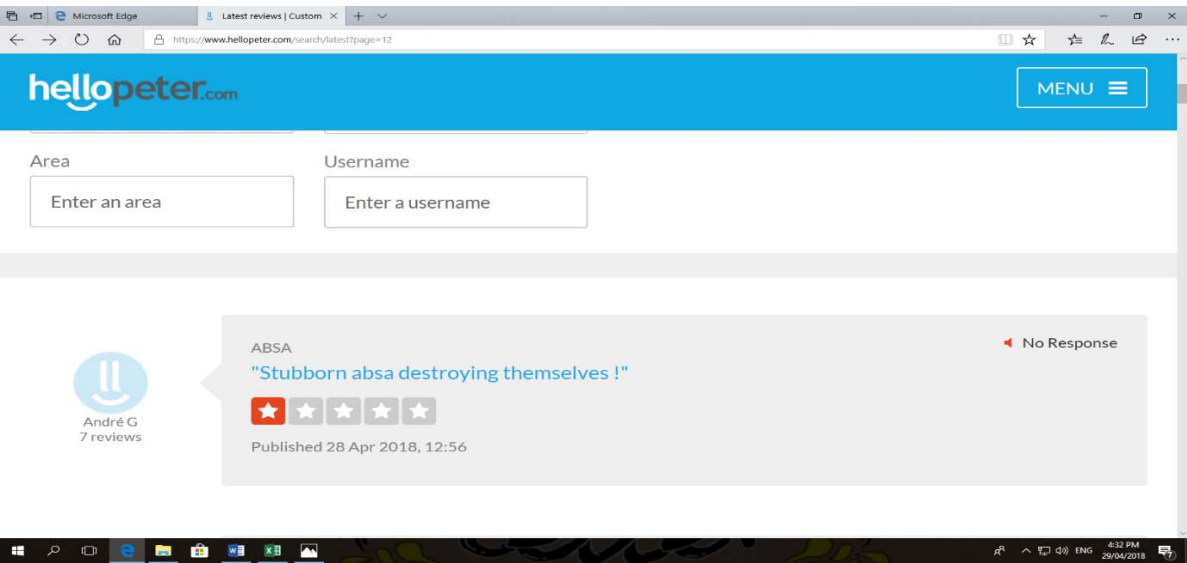
Source: Adapted from HelloPeter (2018:1)

Customer experience is vital for retaining old clients and gaining new clients. Bad customer service may cause a decline in the number of clients banking in the banks. From Figure 2.6 it is evident that the bank has not yet responded to this complaint.

2.6.4 CLIENTS' ONLINE COMPLAINTS ON PROCESS DELIVERY IN THE BANKING INDUSTRY

The second category of complaints are the complaint regarding the processes followed within the banking industry. Figure 2.7 provides an example of an online complaint regarding the process at ABSA bank while Figure 2.8 is an example of service complaint at FNB.

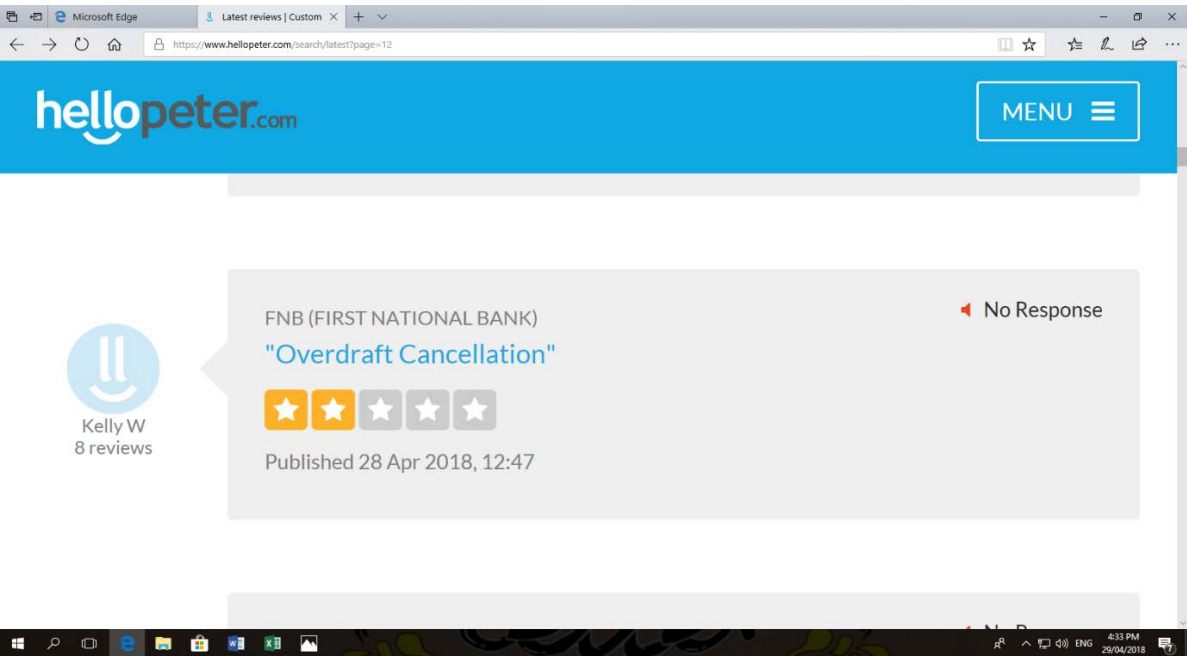
FIGURE 2.7: Client’s online process complaint on ABSA Bank



Source: Adapted from HelloPeter (2018:1)

Clients come first may be a vital rule for the banking industry. Giving clients what they want or offering them with options may resolve complaints. ABSA bank has not responded on this complaint as seen in Figure 2.7.

FIGURE 2.8: Client’s online process complaint on FNB

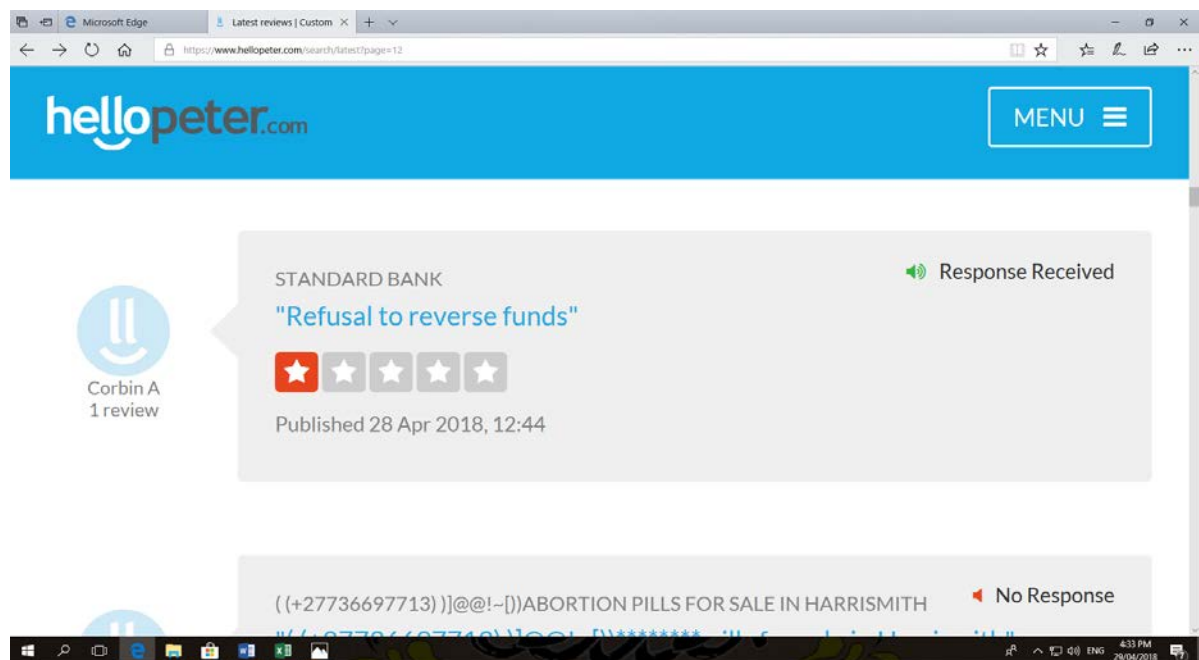


Source: Adapted from HelloPeter (2018:1)

Putting clients in control of their accounts may make them feel important in the business. Addressing their request on time may lead to satisfied clients. FNB has not responded or reviewed the complaint as evident from Figure 2.8.

Figure 2.9 shows a process complaint where a response was initiated from Standard Bank.

FIGURE 2.9: Client's online process complaint on Standard Bank



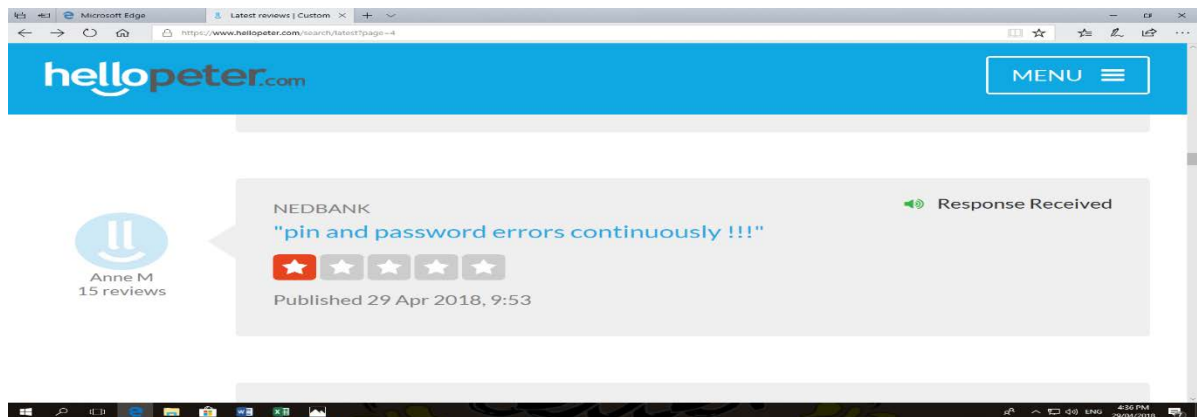
Source: Adapted from HelloPeter (2018:1)

Explaining to client's what problems could arise from doing certain transactions may better instill in the clients what is best for them rather than refusing a request from clients to perform certain transactions on their accounts. Figure 2.9 shows that Standard Bank has communicated with the client regarding the complaint.

2.6.5 CLIENTS' ONLINE COMPLAINTS ON PRODUCT QUALITY IN THE BANKING INDUSTRY

The third category of complaints revolve around the product quality. Figure 2.10 provides an example of a typical product complaint.

FIGURE 2.10: Client's online product complaint on Nedbank

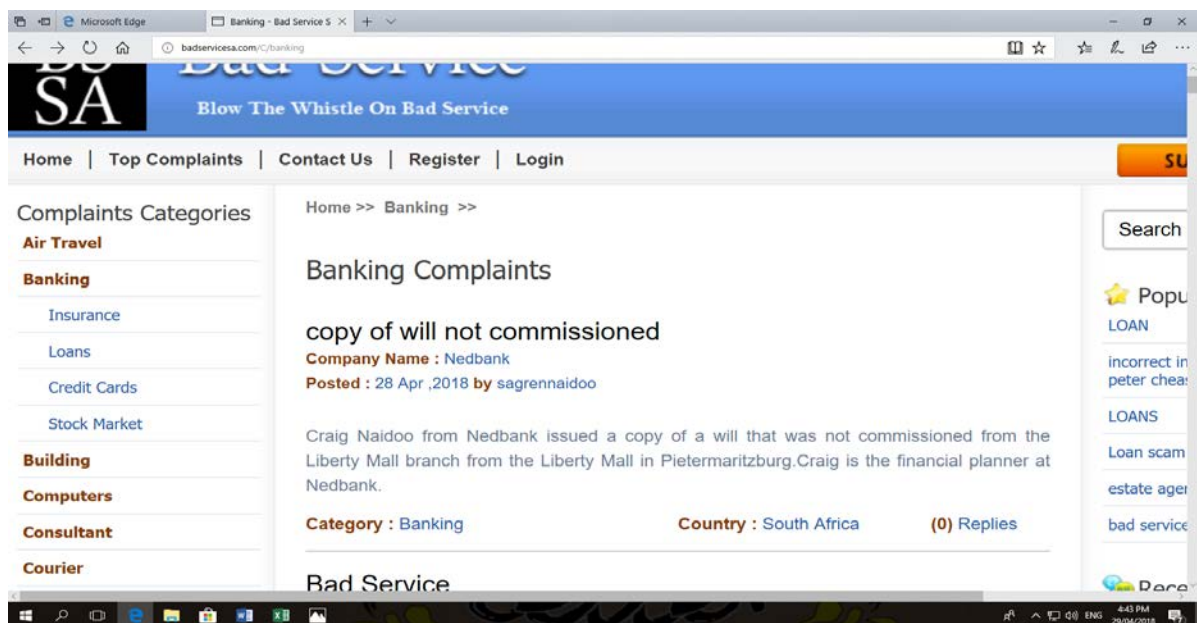


Source: Adapted from HelloPeter (2018:1)

Repetition of errors may cause clients to be frustrated and frustration may lead to unhappiness. Learning to fix a problem and not repeating it may improve customer satisfaction. It is evident from Figure 2.10 that Nedbank has responded to the client's complaint.

Figure 2.11 shows an example of bad service experience regarding a product (wills) from Nedbank.

FIGURE 2.11: Client's online product complaint on Nedbank

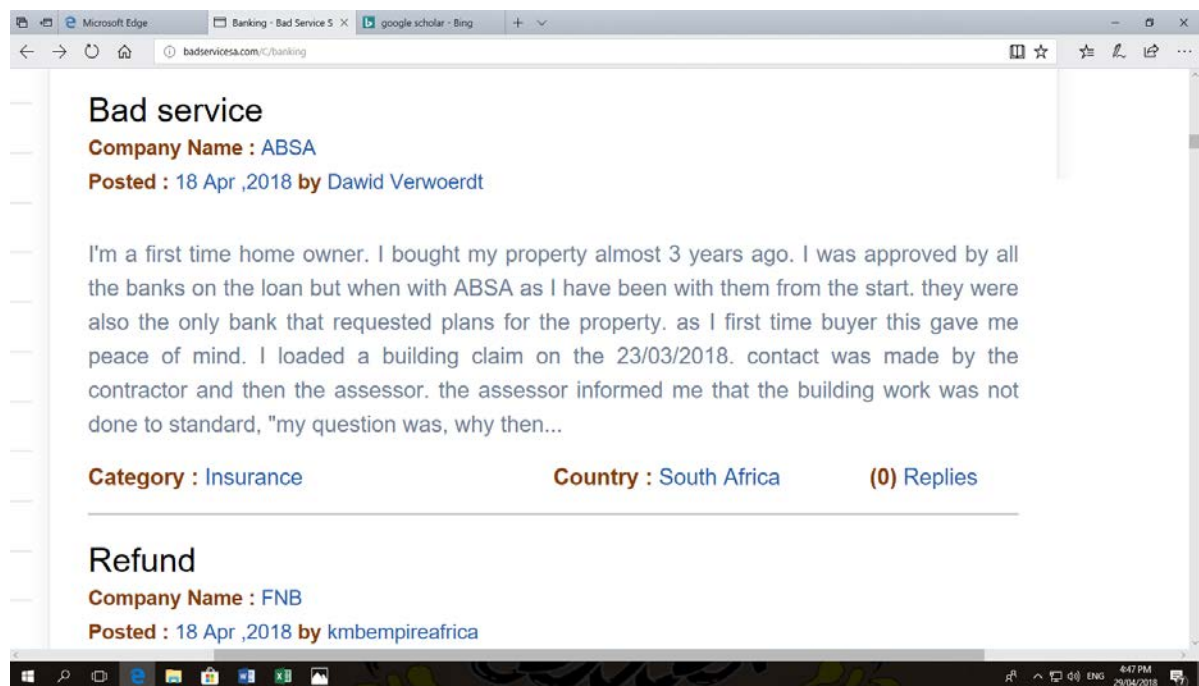


Source: Adapted from Bad Service South Africa (2018:1)

Staff need to be educated on all the products of the bank. Insufficient knowledge on products may lead to incomplete products. Staff need to receive continuous training on the products and service in order to offer excellent products and services. No reply was offered by Nedbank to the client as seen in Figure 2.11.

A client complaint regarding to home loan and related issues is shown in Figure 2.12.

FIGURE 2.12: Client's online product complaint on ABSA Bank



Source: Adapted from Bad Service South Africa (2018:1)

Providing clients with up to standard products may lead to client satisfaction. Delivering on the banks promise is important to clients. Failing to deliver on product promise may lead to tempering with the clients' trust in the bank. From Figure 2.12 it is evident that ABSA bank has not yet communicated with the client.

2.7 OVERVIEW OF CUSTOMER SATISFACTION IN THE BANKING INDUSTRY

Customer satisfaction is found to be effected by the services quality offered by the businesses. In addition, the understanding and guarantee of services quality measurement were established to have a major influence on customer satisfaction

(Makanyeza & Mumiriki 2016:8). Furthermore, overall businesses should consider satisfaction as it is determined by clients' judgement after the delivered products or services procured (Liebana-Cabanillas, Munoz-Leiva, Sanchez-Fernandez & Viedma-del Jesus 2016:157). According to Kaura (2013:18), although customers are concerned with other measurements of service accessibility, the key element is convenience when it comes to satisfaction. Therefore, customer satisfaction will lead to an increase in the number of customers of a business; implying that satisfying customers is essential and it should be taken into consideration first (Rostami, Valmohammadi & Yousefpoor 2014:221).

Liebana-Cabanillase *et al.* (2016:157) state that new customers could be attracted by means of satisfaction and the business will gain greater profitability. Furthermore, it is necessary for businesses to recognise the direct influence that convenience and ease of simplicity have on satisfaction in terms of services offered. Kaura (2013:25) found that customers are satisfied if services needed at a specific day is obtainable quicker and easier without waiting for a long time to be served. Additionally, customers tend to leave and obtain assistance from competitors offering the same services. Therefore, eliminating long queues will assist in achieving customer satisfaction.

According to Kaura (2013:23), the aim of businesses is to have loyal customers' that are sustained by customer satisfaction. Additionally, as a result of businesses' capabilities to satisfy customers by offering excellent services more customers prefer to remain with the same business. These customers will also recommend these businesses to other customers. Furthermore, businesses who go the extra mile to meet the demands of its customers by introducing new products, upgrading products and services in the market, will achieve customer satisfaction. Customers are willing to try those new products and services and will pay less attention to prices as compared to a new customer. Moreover, customers would also be less interested in other brands if they have a good experience with the current business (Melnic 2016:26).

Business success is linked to the capabilities to adjust to changing customer needs and to be able to satisfy their expectation. Additionally, the businesses can gain a competitive advantage against their competitors by responding to changing market conditions and in doing so, ensure customer satisfaction. Moreover, the evaluation of

the businesses' effectiveness towards their customers is not only based on operational results but also in services quality and customer performance (Grigoroudis, Tsitsiridi & Zopounidis 2012:21; Melnic 2016:24). According to Chu, Lee and Chao (2012:1279), to achieve customer satisfaction results in customer trust and loyalty that can be obtained by ensuring proper delivery of products, services and following high quality standards. Therefore, delivering high quality products with high services levels were found to have an influence in businesses movements to develop customer relationship and customer satisfaction.

Kaura (2013:23) states that access is convenient for customers, as customers can easily communicate with the businesses regarding an issue of concern that will assist in improving customer satisfaction. Moreover, the availability of businesses when needed by customers can be effective when customers have easy access to the business. Through numerous ways banks can be available (online, telephone, in person, ATM). Availability of businesses during the process when customers are using the services at their own convenient time, customers may experience problems. Therefore, how businesses deal with those problems influence customer satisfaction. Furthermore, when customers experience difficulties when it comes to business services, businesses should implement strategies to resolve the matter with an aim of building a continuous relationship and trust with the customer (Chu *et al.* 2012:1279). According to Ramos *et al.* (2018:187), businesses need to maintain a good relationship with customers as good relationship influences customers to use the business goods and services rather than going to the competitor. In addition, good relationship results in customers trusting the businesses.

It is essential for the banking industry to develop strategies that are aligned in meeting customers' satisfaction and for the bank to be competitive in the market. Furthermore, managers could visit different bank branches and act as one of the customers to experience the first-hand service and measure customers' satisfaction based on the services delivered. Moreover, it is necessary for banks to observe their competitors' performance in the industry and be able to formulate new strategies on how to meet customer satisfaction and to provide excellent services to their customers (Chu, *et al.* 2012; Melnic 2016). However, customer satisfaction is achieved when the bank is aware of changes taking place in the environment and taking actions to adapt to those

changes to meet customers' needs. Additionally, when operating in a specific geographic area, businesses should have knowledge of their target market and how to reach customers as the new generation customers are educated and informed (Goplani 2017:7).

Information handling in the banking industry has an impact in meeting customers' satisfaction. Customers will be dissatisfied if the information needed by customers is unavailable at that moment needed. Businesses should ensure that information is available to clients about products and services offered. Furthermore, businesses should communicate with clients regarding specials and new products using e-mails and SMS. Additionally, information management assist the business to identify those customers lost, make a follow up and try to win them back to the business (Melnic 2016:26). According to Rostami *et al.* (2014:225), the aspect of information handling could not be neglected by businesses as it plays a vital rule in the success and sustainability of the business. Furthermore, mismanagement of information will affect the reputation of the business that will lead to unhappy customers. However, employees should be provided with training on how to handle customer information and internal business information when dealing with customers concerning questions about services. Therefore, to be profitable and gain market share against competitors, businesses need to improve the channels of communication to all customers, stakeholders involved in the business (Goplani 2017:16).

2.8 SUMMARY OF THE CHAPTER

Banks are businesses that facilitate the trading of deposits from savers to borrowers. Banks are crucial to maintain the safe keeping of savers funds and provision of funds to lenders for their current financial needs. Savers earn interest on their savings while lenders pay interest on their loans. To provide the trading services for savers and borrowers, banks need to keep up with the changing market conditions. Technology has taken the banking industry by storm, with digitalisation being the top requirement in the banking industry. Banks have initiated cell phone banking, internet banking and self-service devices for clients to have control over their accounts from the comfort of their own homes.

Digital banks such as Capitec Bank and FNB, have maintained high ratings in the SAcSi due to their innovative technological services. These two banks are rated top leaders in the banking industry for customer satisfaction. Capitec Bank which is rated the top leader, followed by FNB bank, has increased their client market share to 9.3 million in 2017. Banks offer products such as the remote banking apps, MasterPass, or self-service terminals (such as ATM and Statement printers), allow clients to do transactions on their accounts themselves.

There has been a rise in the number of customer complaints caused by bad service, processes, and products. Clients are complaining about bad services received from bank branches and customer care centres. Branches of certain banks follow different processes which makes it difficult for clients to be given information that is consistent. Products offered by banks are either incomplete or the benefits are not explained in fully leading to misconception of the product.

Banks are moving forward with the technological advances, but they may be falling short in managing clients' complaints. Clients can contact branch managers, contact customer care, National Consumers Commission, HelloPeter, BadServiceSA and the Ombudsman for any valid customer complaint. It is of importance that banks resolve clients' complaints to eliminate losing clients to competitors. Banks reviewing complaints may lead to improving products to meeting clients' needs and retaining or gaining more clients. Therefore, banks should monitor customer satisfaction regularly to limit clients' complaints. Dissatisfied clients may be caused by complaints. Resolving clients' complaints quickly may lead to customer satisfaction.

The way in which the research will be conducted will be explained in Chapter Three. The chapter will examine the research design, the research paradigm, the research methodology and methods that will be followed in this study. The population, sample and the type of sampling technique adopted in this study will be addressed. The questions where, how and what regarding the primary and secondary data collection will be answered. The measuring instrument used to collect valid and reliable data from respondents will be explained. The statistical methods used to analyse the data will also be discussed.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The previous chapter provided an overview of financial industry. Different types of products and services provided by banks were also explained. Furthermore, the advancement of technology in the banking industry was also discussed. Moreover, what clients complain about in banking industry and the results of banks that are performing well and those banks who have poor performance when it comes to customer satisfaction were elaborated on.

Chapter One specified the primary objective of this study to determine if banking clients are satisfied with the complaints handling received from commercial banks regarding online complaints. Therefore, this chapter provides more detail regarding the research design and methodology. Additionally, how the data will be collected and analysed will be explained. Ethical consideration will also be highlighted.

3.2 RESEARCH DESIGN

Yin (2009:26) states that research design is the effective structure that links the empirical data to a study's initial research question and lead to the study conclusion. In addition, normally in the literature the results that will presented need to be plan in advance when conducting the study. Therefore, research design is usually understood to be about the planning of how the research will be conducted at the commencement of the study (Farthing 2016:2). Creswell and Plano Clark (2011:203) describe research design as methods for collecting, evaluating, interpreting and reporting data in research studies. In addition, as a result of research designs the researcher is assisted in method decision and setting the reasoning of the study that will be interpreted at the end of the researcher study. Therefore, the purpose of research design is to answer a research question about a specific item (Rugg & Petre 2007:63). The two main research paradigms found in literature is the positivistic and phenomenological

paradigms. A brief discussion of each will follow as well as the paradigm chosen for this study.

3.2.1 POSITIVISTIC PARADIGM

The positivistic paradigm focuses on a specific set of assumptions about the world and about suitable ways of studying it. Additionally, positivistic paradigm regards society as more valuable compare to individuals. Moreover, the important characteristic of scientific method in the positivism paradigm is regarded as reliability (McNeill & Chapman 2005:15).

The positivistic paradigm gives rise to the quantitative methodology. The main emphasis of the quantitative research methodology is on numbers and counting. Data that have been gathered in the form of questionnaire or other method is converted into numbers (Hodges & Thomas 2010:23). Creswell (2005:39) states that the quantitative methodology is a type of educational research that enables the researcher to make a decision on what to study, to collect information from a large number of respondents, to analyse the numbers using statistics and assess the analysis in balanced manner. Furthermore, to describe and explain a phenomenon using the quantitative methodology, it requires techniques such as experiments and surveys (Brynard & Hanekom 2006:37). Therefore, quantitative methodology uses numbers directly to represent the characteristics of something (Hair, Money, Samouel & Page 2007:118).

3.2.2 PHENOMENOLOGICAL PARADIGM

The phenomenological paradigm is the study that produces descriptive data using the written or spoken words of the participants regarding their own experiences. In addition, the researcher has the advantage to know people personally, and to see them as they are and experience the difficulties that the participants come across daily which are related to life situations (Creswell 2005:39). Furthermore, the phenomenological paradigm is a type of educational study where the researcher depends on the opinions of participants, collects the data involving largely words from participants, analyse the data to find results and do the review in a topic in prejudiced way (Creswell & Plano Clark 2011:8). Any form of study that follows a non-numerical approach to develop a

meaning from research data is appropriate for the phenomenological paradigm (Hodges & Thomas 2010:23). Therefore, qualitative data are usually collected using interviews or observation (Hair *et al.* 2007:153). Qualitative research is connected with phenomenological paradigm (McNeill & Chapman 2005:20).

3.2.3 RESEARCH PARADIGM IN THIS STUDY

A positivistic paradigm will be adopted in this study as it allows the researchers to make use of the quantitative research methodology. The important aspects regarding a problem can be provided in full details in the quantitative research methodology data. Additionally, quantitative understanding arises from scrutinising a large number of respondents and evaluating the answer to a few variables (Creswell & Plano Clark 2011: 8). The quantitative research methodology is adopted in conducting this study as the objectives was to determine if banking clients are satisfied with the outcomes received from commercial banks regarding online complaints. The aim of the study was to determine whether relationship exists between the independent variables (service complaints, product complaints and process complaints) and the dependent variable (complaints handling).

3.3 DATA COLLECTION

The types of methods that were used to gather information for the study will be highlighted in this section. The secondary and primary data collection and the research instrument for the study will be discussed.

3.3.1 SECONDARY AND PRIMARY DATA

There are two methods of gathering information for research. Primary data collection and secondary data collection. When researchers obtain existing information that was collected by other researchers from previous studies are regarded as secondary data. Primary data on the other hand, is when new information is obtained by the researcher for the current study in progress (Struwig & Stead 2013:82).

3.3.1.1 Collecting of secondary data

Brynard and Hanekom (2006:36) define secondary data as data gathered by researchers from other research's to address the current study in progress. In addition, the reanalysing of both raw data and published summaries by the researcher that have already been collected for some other purpose is known as secondary data (Saunders, Lewis & Thornhill 2003:188). Furthermore, the data collected through the secondary data method may not always be appropriate for the current study. However, using secondary data the researcher could save resources in particular time and money. Therefore, it is less expensive to use secondary data than gathering the data for the first time (Hair *et al.* 2007:118).

For this study, secondary data was collected to achieve the secondary objectives, thereby conducting the literature review. Different sources were used to obtain the information for the literature review section and include journals, websites and academic books. The secondary data was collected to conduct the literature review section on the banking industry, customers' satisfaction and the influence of technology in banking industries. To support the empirical findings there is a need to review secondary data.

3.3.1.2 Collecting of primary data

According to Sekaran (2000:57), primary data refers to the data gathered from the actual site of occurrence of events. In addition, the data is gathered by the researcher conducting the study to address the specific problem (Brynard & Hanekom 2006:36). Furthermore, primary data is time consuming and can pose difficult ethical dilemmas for the researcher (Saunders *et al.* 2003:231). Hair *et al.* (2007:193) state that the primary collection method can follow the quantitative or the qualitative methodology. Additionally, primary data is gathered by means of one or more of the following: observation method, questionnaires and interview method.

Wilkinson and Birmingham (2003:7) state that questionnaires are the preferred tool of many researchers conducting a study. Moreover, questionnaires provide a cheap and effective way of gathering data in a structured and manageable form. Furthermore,

questionnaires are usually inexpensive to administer, very little training is needed to develop them, and once completed, easy and quick to analyse. With the interview method the respondent gives feedback directly to the researcher. Interviews are helpful to obtain data when dealing with complex and sensitive issues. The observation method is gathers data through systematically observing of people, events or objects (Hair *et al.* 2007:193).

For the purpose of this study, questionnaires were used as the method to collect primary data for the empirical investigation since a quantitative research methodology was adopted. The questionnaires focused on collecting primary data to determine if banking clients are satisfied with the outcomes received from commercial banks regarding online complaints.

3.3.2 POPULATION

A population is the broadest set of potential cases from which the sample of cases is to be selected (Farthing 2016:82). Additionally, a population is defined as a group of organisations and students in the universe that possesses specific characteristics (Brynard & Hanekom 2006:55). Therefore, the researcher needs to decide what group should be study as the population. The population can be small or large (Creswell 2005:145). The population being targeted normally holds a set of traits or information needed for the study. For the purpose of this study, the population will be clients who make use of banking services.

3.3.3 SAMPLE METHOD

A sample is quite a small subset of the population. Moreover, it can be drawn using either probability or nonprobability procedures. However, whether probability or nonprobability sampling is used, careful consideration of sampling design issues is needed in selecting the sample. Furthermore, a sample method is a complete list of the elements from which the sample is drawn. Examples of sampling methods are yellow pages listing, telephone directory listing of individuals, and even university registration lists (Hair *et al.* 2007:173). Therefore, sampling is the method of selecting a sufficient number of elements from the population to understand the properties or the

characteristics of the sample subject, and therefore making it possible for the researcher to generalise the properties or characteristics to the population elements (Sekaran 2000:268).

3.3.3.1 Sampling techniques

Sampling techniques are divided into two types, namely probability and non-probability sampling. Probability sampling is usually connected with survey-based research where the researcher needs to make interpretations from the sample about a population to answer the research questions or to achieve the study objectives (Saunders *et al.* 2003:152). Furthermore, the principle of probability methods is that each element of the target population has a known, but not necessary equal, probability of being selected to be part of the sample. Additionally, the sampling elements are nominated randomly and the probability of being nominated is determined ahead of time by the researcher (Hair *et al.* 2007:174). Therefore, in probability sampling the errors associated with a specific sampling design, the researcher can calculate that error and make a decision having that knowledge at hand (Hair *et al.* 2007:171).

Creswell (2005:146) defines non-probability sampling as when the researcher has chosen individuals as they are accessible, convenient and represents particular characteristics the researcher seeks to study. The researcher may need to include respondents who volunteer and who agree to be studied. Further, the researcher may be interested only in describing a small group of respondents in a study. Two popular approaches that are used by researchers in non-probability are convenience and snowball sampling approaches. Hair *et al.* (2007:181) state that in non-probability sampling the nomination of the sample elements is not made with the goal of being statistically representative of the population. In addition, personal experiences and expert judgement are subjective methods usually used to nominate the elements in the sample. As the results of personal experiences and expert judgement the probability of any elements of the population being selected is not known. Furthermore, statistical methods in non-probability sample for measuring the sampling error are not available as in probability sampling.

For the purpose of this study non-probability sampling is adopted. Convenience and snowball sampling were used to draw the sample from the population. Convenience sampling allows the researcher to nominate respondents who are prepared and available to answer the study questions (Creswell 2005:146). Further, in convenience sampling a large number of questionnaires can be completed quickly and the technique is inexpensive. Moreover, the process of selecting the respondents does not stop until the required sample size is reached (Saunders *et al.* 2003:177). Snowball sampling is when the initial respondents are usually selected using a probability method. In addition, now the first respondents assist the researcher by identifying other respondents in the target population (Hair *et al.* 2007:182).

3.3.3.2 Sampling size and method of data collection

The minimum acceptable sample size was calculated based on the four variables having five items per variable and five respondents allocated to each questionnaire item; therefore, the sample size is 100. The respondents were banking clients within Nelson Mandela Metropolitan area.

The questionnaire was distributed using two techniques, firstly the researchers distributed the questionnaires to respondents that were accessible in shopping malls. The aim of the study was explained. The respondents were given the questionnaire to complete and hand them in back to the researchers once completed. The second technique was that the questionnaires were left in the houses of the respondents to complete at their convenience. The researchers agreed with the respondents that on a specific day the researchers will collect the questionnaires. For the purpose of the study, data was collected by means of distribution self-administered questionnaires among a selected sample. The selected sample was clients' making use of banking services within Nelson Mandela Metropolitan area.

3.3.4 RESEARCH INSTRUMENT

A self-administered questionnaire was used as a measuring instrument for the study to collect primary data. Wilkinson and Birmingham (2003:7) state that questionnaires can cover numerous subjects or issues. Moreover, they can also be simple and

emphasizes one important area. The questions were directly associated to the research questions. English was used as the official language to communicate with the respondents. The objective of the questionnaire was to determine if customer satisfaction in banks can be improved by resolving online clients' complaints.

The measuring instrument that was distributed to the respondents included a cover letter and the questionnaire. The study was introduced in the cover letter and the primary objective of the study was highlighted. Moreover, the importance of the study was highlighted in the cover page, with the emphasis that there was no right or wrong answers and the respondents was assured full confidentiality and anonymity. According to Hair *et al.* (2007:192), questionnaires can use closed and open-ended questions. With closed-ended questions the respondent is able select an answer from the ones that was given in the questionnaire. An open-ended question allows respondents to reply in their own words.

The questionnaire comprises of two sections, namely section A and section B. Section A will focus on various types of online complaints that influence customer satisfaction, namely service complaints, product complaints and process complaints. A five-point Likert-type scale was adopted, ranging from "strongly disagree" (1), "disagree" (2), "neutral" (3), "agree" (4), to "strongly agree" (5) will be used to measure the 28 items. Likert-scale is design to analyse the respondents' answers by rating the statements from strongly agree to strongly disagree (Sekaran 2000:198). Section B consists of demographic data of each of the respondents in the form of close-ended questions. The demographical data included the gender of the respondents, age, population group, which bank do the respondents use and the time taken by the banks to resolve complaints.

3.4 DATA ANALYSIS

Hodges and Thomas (2010:23) define data analysis as a method of drawing meaning from making sense of the information or evidence gathered for a project. Additionally, with quantitative research the data will be scrutinised to identify and confirm relationships (Hair *et al.* 2007:305). Once the primary data have been collected from

the respondents it will then be captured in MS Excel and analysed using Statistica version 13.

3.4.1 VALIDITY

According to Brynard and Hanekon (2006: 47), validity is used to attain or measure what is supposed to be obtained or measured. Furthermore, researchers can assess the validity of the current study by using content validity, face validity and construct validity (Creswell and Plano Clark 2011:210). Therefore, the scores obtained from an instrument used are making sense and are meaningful. (Creswell 2005:162).

Validity can be divided into various types. For the purpose of this study three types of validity will be discussed namely face validity, content validity and construct validity.

The focus of face validity is on how the instrument used to collect data is presented to the respondents. In addition, face validity is therefore created on the subjective judgement of the researcher and the respondents (Brynard & Hanekon 2006: 47). Furthermore, if the measuring tool does not appear to measure what it supposes or claim to be measuring, the respondents may query the purpose of completing the questionnaires. Moreover, experts' views can be valuable to guide researchers in achieving face validity (Struwig & stead 2013:146).

Brynard and Hanekon (2006:47) define content validity as the accuracy and suitability of the questions that are part of a test or questionnaire. Moreover, it is necessary to test the accuracy and the logic of the questions. Furthermore, repetition of questions could be avoided. Additionally, the outcomes of primary stage of testing the questions will also assist in determining whether the questions included are applicable to the research problem. Sekaran (2000:209) states that in content validity the more the scale items indicate the field or universe of the concept being measured, the greater the content validity. For this study, a pilot study was conducted amongst 15 respondents to determine the content validity of the questionnaires.

Hair *et al.* (2007:246) describe construct validity as an element that is concerned with the evaluation of the construct or scale which was used to measure each variable.

Additionally, two methods can be used to assess construct validity namely convergent and discriminant validity. Convergent validity is when the concept is positively connected with other methods of the same concept. Discriminant validity occurs when two variables are expected to be uncorrelated and the outcomes obtained from the measuring technique are indeed found to be so. According to Struwig and Stead (2013:149), construct validity can be tested using exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). CFA is usually conducted after an EFA and enables the researcher to develop a hypothesis when certain independent variables have an impact in a dependent variable according to the data collected. EFA is effective to identify which variables are connected with others and also are independent of each other. For the aim of the study, an EFA will be used to ensure construct validity of the measuring instruments.

3.4.2 RELIABILITY

According to Creswell (2005:142), reliability means that the scores from the tools used are stable and reliable and the results should be similar when the tool is utilised by another researcher at different times. Moreover, reliability is necessary no matter what form the question takes. Additionally, reliability is connected with multi-items scales that involve multi-items (variable and indicators) which represents a concept. Reliability of the scale depends on the responses from the respondents consistently in a way that is highly correlated (Hair *et al.* 2007:241). Means scores calculated from respondents' responses are consistent and stable over time. Therefore, reliability scores from former uses measured in terms of reliability coefficient, and instruments test-retest results must be addressed. (Creswell and Clark 2011:211).

Cronbach's alpha correlation coefficient is commonly used to test internal consistency. In addition, alpha coefficient ranges from 0 to 1. Moreover, 0.7 of an alpha coefficient is measured to be a minimum by the researchers' a lower coefficient may be accepted depending on the study objectives. (Saunders *et al.* 2003:365). According to Hair *et al.* (2007:245), the alpha coefficient values that ranges from 0.8 to 0.9 is considered to be very good in the study conducted. A high reliability between two halves is indicated by a high correlation. Furthermore, the assessment of validity scores can be addressed after reliable of them is established first (Creswell & Plano Clark 2011:200).

3.4.3 DESCRIPTIVE STATISTICS OF VARIABLES

Creswell (2005:181) states that two methods of statistics can be used to analyse the data namely descriptive and inferential statistics. Moreover, Central tendency (the mode, median and mean) and the dispersion (standard deviation) are aspects of descriptive statistics. Furthermore, in descriptive statistics the researcher is able to define variables numerically. In addition, determine the study questions and the objectives of the study (Saunders *et al.* 2003:351). Inferential statistics is used to evaluate data from a sample and to come up with conclusions about unknown population. Moreover, observations are used in inferential statistics from the sample of population that allows the researcher to generalise the results of the data collected to a larger population. Additionally, inferential statistics can be active in linking two or more variables (Struwig & Stead 2013:168). The inferential statistics and multiple regression will be discussed in sections 3.4.4 and 3.4.5.

Descriptive statistics include different types of measures to describe the sample drawn from the population. To achieve the objective of this study, reference will be made to measures of central tendency and dispersion, skewness and frequency (Struwig & Stead 2013:168).

Descriptive statistics include the presenting of the overall tendencies in data (mean, mode, median), the degree of scores (variance, standard deviation and range), or a relationship of how one score relates to all others (Creswell 2005:181). Additionally, the often used methods to measure central tendency are the mean, the median and the mode. The top usually used method to measure central tendency is the mean. The mean can be called the average value and in not most case is not sensitive to data values being added or deleted. Furthermore, the mode classifies the values that occurs most in the sample distribution. Moreover, the number that is below and above which half the numbers in the sample distribution is known as the median (Saunders *et al.* 2003:353). (Hair *et al.* 2007:308) state the aim of frequency distribution is to present the number of replies connected with each value of the variable. Furthermore, measure of dispersion explains the tendency for sample answers to move from the central tendency. The standard deviation is focused in clarifying the dispersion or variability of

the sample distribution values from the mean and is possibly the most valuable index of dispersion.

3.4.4 PEARSON PRODUCT MOMENT CORRELATION COEFFICIENT

According to Struwig and Stead (2013:168), the Pearson product- moment correlation coefficient is effective to examine the level to which a difference in one continuous variable describes the difference in another continuous variable. Moreover, it also determines the direction and the strength of the relationship between two variables. The correlation coefficient varies from -1.00 (a perfect negative relationship) to +1.00 (a perfect relationship). If the outcome shows 0.00, then there is no relationship between variables. In addition, if there is a positive correlation coefficient between variables, an increase in one variable will result to increase in the other variable or vice versa. Moreover, variables are expected to be measured using an interval or ratio-scaled. Furthermore, correlation coefficient is usable also in nominal or ordinal data (Hair *et al.* 2007:359).

3.4.5 MULTIPLE REGRESSION

Creswell (2005:336) defines multiple regression as a statistical technique for analysing the combined relationship of multiple independent variables with a single dependent variable. Additionally, these methods are useful even to analyse if independent variables predict a dependent variable. Regression coefficient (R^2) is used to measure the strength of relationship between independent and the dependent variables (Struwig & Stead 2013:168).

Furthermore, in multiple regression the researcher is able to calculate a separate regression coefficient for each independent variable that defines the individual relationship with the dependent variable. In addition, as a result of these coefficients it is possible to assess the influence of numerous independent variables on the dependent variable. Therefore, multiple regression is a realistic model because in the world to estimate something always depends upon multiple factors (Hair *et al.*

2007:374). For the purpose of this study, multiple regression will be used to test the formulated hypotheses to either accept or reject the hypotheses.

3.5 ETHICAL CONSIDERATIONS

The purpose of the study was explained in the cover page of the questionnaires. Furthermore, it was specified that respondents have the right to withdraw from the questionnaire whenever they feel so. All respondents participated voluntarily in the study. No vulnerable respondent was allowed to participate (elderly ill or under 18 years). The data collected from the questionnaire will be treated confidential and anonymous. Further communications were done during the distribution of the questionnaires.

3.6 SUMMARY OF THE CHAPTER

The research design and research methodology were discussed in this chapter. The difference between the two research paradigms was fully explained and which paradigm was adopted for the study which is a positivistic paradigm was also highlighted. Additionally, how the researchers will go about collecting data for the study. The chapter mentioned that there are methods to collect data namely the secondary data and the primary data. Primary data will be obtainable by means of questionnaire and secondary data by means of textbooks, academic articles. The population for the study was defined and the sample method including sampling techniques that will be utilised. Moreover, self-administered questionnaire is the research instrument for this study.

Details on data analysis section cover how the data will be used after collection by capturing it on Ms Excel and analysing using Statistica. Further, validity and reliability were discussed. Under validity the study explained three types of validity which are face validity, content validity and construct validity. Moreover, the reliability of the study will also be tested using Cronbach's alpha. Factor analysis was highlighted for the study purpose and EFA will be realistic.

The chapter further discussed the descriptive statistics applied to the study and central tendency, dispersion, skewness and frequency were also explained. Additionally, Pearson product moment correlation coefficient was elaborated and why multiple regression will be applicable for the study. Chapter Four will focus on interpretation of the empirical results of this study. The connection between the literature review and the results will be the core business in Chapter Four.

CHAPTER FOUR

EMPIRICAL RESULTS

4.1 INTRODUCTION

The discussion in Chapter One highlighted the primary objective of this study which is to investigate banking clients' online complaints and to determine whether clients are satisfied with how the banks resolve those complaints. Chapter Three provided an overview of the research design and methodology for this study. Furthermore, Chapter Three addressed how the data will be collected and analysed. A positivistic paradigm was adopted giving rise to the quantitative methodology. Therefore, a quantitative approach using a self-administered questionnaire was adopted in this study.

The main focus of this chapter is to determine whether there are relationships between the three independent variables (services, products and processes) and the one dependent variable (customer satisfaction). The results will be presented in this chapter and the interpretation of results using tables will be provided.

Demographic information gathered from the respondents that were part of the study will be presented. Descriptive statistics such as mean scores, frequencies and standard deviation of the dependent and independent variables were calculated. Furthermore, an EFA is used in the study to measure the validity of measuring instrument. Moreover, the reliability of measuring instrument was calculated using the Cronbach's alpha while for the purpose of assessing the association between the variables that were under investigation the Pearson product moment correlation coefficient was calculated. To determine whether positive or negative relationships exist between the independent and dependent variables, a multiple regression was utilised.

4.2 DEMOGRAPHIC DATA OF RESPONDENTS

The demographic data in section B of the questionnaire includes items relating to the respondents' age, gender, population group, which bank the respondents belong to and time taken for the banks to resolve complaints. Furthermore, respondents were requested to indicate the suitable time that they expect the banks to come up with solutions concerning their complaints. Table 4.1 summarises the descriptive statistics of the demographic data of the respondents in the form of frequency distribution. As the number of respondents are 100, the frequency distribution and the percentage distribution are the same.

TABLE 4.1: Summary of respondents' demographical data

Variable	Frequency	Variable	Frequency
Gender		Bank	
Male	38	ABSA bank	14
Female	62	Capitec Bank	42
TOTAL	100	FNB	18
Age		Nedbank	16
21-29	21	Standard Bank	10
30-39	34	TOTAL	100
40-49	28	Time taken to resolve complaint	
50-59	14	Less than 48 Hours	54
60+	3	Less than 1 week, but more than 48 Hours	26
TOTAL	100		
Population group		1 to 2 weeks	14
Black	67	2 to 3 weeks	5
Coloured	21	3 to 4 weeks	1
White	11	TOTAL	100
Other	1		
TOTAL	100		

The characteristics of the respondents for the study are presented in Table 4.1. The sample comprised of more females (62%) than males (38%). Many respondents were within the age group of 30 to 39 years (34%), followed by the age group of 40 to 49 years (28%), the age group of 21 to 29 years (21%) and the age group of 50 to 59 years (14%). Only 3% of the respondents were above the age of 60 years.

The study revealed that 67% of the respondents were from the black population group while 21% of the respondents were from the coloured population group. Only 11% of the respondents were from the white population group while 1% of the respondents belonged to other population groups which were not specified.

With regards to the banks the respondents use, the results indicate that 42% of the respondents' bank with Capitec Bank followed by FNB (18%), Nedbank (16%) and ABSA bank (14%). Only 10% of respondents were Standard Bank clients.

Regarding the time taken by banks to resolve customers' complaints, the results revealed that banks take less than 48 hours to resolve complaints (54%). Only 26% of the respondents indicate that banks take less than one week but more than 48 hours to provide a solution concerning complaints and 14% of the respondents' state that banks take one to two weeks to resolve matters. In addition, 5% of the respondents indicate that it takes two to three weeks while only 1% indicates that complaints are solved during the period of three to four weeks.

The respondents were asked within what time frame they would expect problems and queries to be resolved. Nearly all the respondents (97%) indicated they expect problems and queries to be solved within five days while 3% of the respondents highlighted a period of 6 to 10 days.

4.3 CLIENTS' PERCEPTIONS REGARDING BANKING SERVICES

Table 4.2 summarises the perceptions of banking clients regarding the services provided by their respective banks.

TABLE 4.2: Clients' perceptions regarding the services provided by banks

My bank	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Has short waiting queues	8%	29%	31%	24%	8%
Has customer representatives that are friendly and cheerful	n/a	4%	22%	39%	35%
Has customer representatives that greet and offer assistance to me	1%	2%	13%	50%	34%
Has customer representatives that provide appropriate information to me	3%	3%	13%	49%	32%
Has customer representatives that are readily available when needed at my bank	n/a	4%	23%	50%	23%
Has customer representatives with knowledge of my bank's products and services	1%	3%	16%	46%	34%
Provides me with services that I am satisfied with	2%	3%	16%	49%	30%
Has an experienced management team	4%	1%	31%	40%	24%

For simplicity, the discussion of Table 4.2 will be based on agreement (strongly agree and agree), neutral, and disagreement (disagree and strongly disagree). Table 4.2 indicates that the majority of respondents were in disagreement (37%) with the statements regarding their banks having short queues, followed by those respondents agreeing (32%) and being neutral (31%). Most respondents agreed (74%) with the statement of representatives at their banks being friendly and cheerful when assisting clients, while 22% of the respondents were neutral and only 4% of the respondents disagreed with the statements. For the statement addressing the issue of whether the representatives greet and offer assistance to clients, most respondents agreed (84%) and only a few were neutral (13%) or disagreed (3%).

In addition, Table 4.2 shows that most respondents agreed (71%) with the statement of representatives being able to provide clients with appropriate information, while 13%

of the respondents were neutral and 6% of the respondents disagreed. Nearly three-quarters of the respondents agreed (73%) with the statement of representatives being readily available to serve clients, while 23% were neutral and only 4% disagreed. For the statement of representatives having knowledge on banking products and services, the majority of the respondents agreed (80%), while 16% were neutral and 4% disagreed. Lastly, it can be seen that most respondents agreed (79%) with the statement of respondents being satisfied with the services they receive from their banks, while 16% were neutral and only 5% were not satisfied with the services received (disagreed). Nearly two-thirds of the respondents agreed (64%) with the statement of their banks having an experienced management team, while 31% were neutral and 5% disagreed.

4.4 CLIENTS' PERCEPTIONS REGARDING BANKING PRODUCTS

Table 4.3 provides a summary of the banking clients' perceptions regarding the products offered by their respective banks.

TABLE 4.3: Clients' perceptions regarding the products provided by banks

My bank	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Provides me with online banking that is fully operational	1%	2%	15%	47%	35%
Provides me with online banking that is secure	1%	3%	16%	41%	39%
Provides me with online banking that is quick and easy	1%	3%	14%	41%	41%
Provides me with products I am satisfied with	1%	3%	21%	54%	21%
Has statement printers in the branch that is fully operational	n/a	4%	16%	36%	44%
Has ATM's that are fully operational	13%	16%	41%	29%	1%
Sends me SMS updates on delayed transactions	3%	18%	15%	37%	27%

For simplicity, the discussion of Table 4.2 will be based on agreement (strongly agree and agree), neutral, and disagreement (disagree and strongly disagree). From Table 4.3 it is evident that the majority of respondents agreed (82%) with the statement of their banks' online banking being fully operational, while (15%) were neutral and only 3% disagreed. The vast majority of respondents also agreed (80%) with the statement of their banks' online banking being secure, while 16% were neutral and 4% disagreed.

Furthermore, the majority of respondents agreed (82%) with the statement of their banks' online banking being quick and easy, while 14% were neutral and 4% disagreed. Three-quarters of respondents agreed (75%) with the statement of them being satisfied with the products offered at their banks, while 21% were neutral and 4% disagreed. The vast majority of respondents also agreed (80%) with the statement of their banks having fully operational statement printers in branches, while 16% were neutral and 4% disagreed.

In addition, evident from Table 4.3 is that more respondents (41%) were neutral with the statement that their banks have fully operational ATMs than agreeing (30%) or disagreeing (29%). Nearly two-thirds of the respondents agreed (64%) with the statement of their banks sending them messages on delayed transaction, while 21% disagreed and 15% were neutral.

4.5 CLIENTS' PERCEPTIONS REGARDING BANKING PROCESSES

Table 4.4 summarises the perceptions of the clients regarding the banking processes.

TABLE 4.4: Clients' perceptions regarding banking processes provided by banks

My bank	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Provides me with processes that assist me to perform my financial transactions in a satisfactory manner	1%	6%	15%	55%	23%
Ensure fairness with regards to deceptive, dishonest, or unfair behaviour presented by staff and clients	2%	9%	37%	37%	15%
Implement appropriate processes to resolve incorrect deposits and transfers between my account and third-party accounts	4%	6%	35%	37%	18%
Informs me of changes regarding trading hours/days	1%	17%	17%	42%	23%
Communicates price or product feature changes to me through e-mails, brochures, post/media	n/a	11%	19%	39%	31%
Explains everything (credit applications, home loans and personal loans) before I sign the documents	1%	6%	15%	49%	29%
Communicates their objectives their clients	n/a	9%	27%	44%	20%
Recognise incorrect deposits and transfers between my account and third-party accounts	3%	12%	35%	31%	19%

Regarding to financial services providers ensuring fairness with regards to deceptive, dishonest, or unfair behaviour presented by staff or clients, 52% of the respondents agreed to the statement that they were satisfied that the banks does ensure fairness with unfair behaviour presented by staff. However, 11% disagreed whilst 37% were neutral about the statement. With regards to the financial services providers providing clients with processes that assist them to perform financial transactions in a satisfactory manner, 55% agreed that banks have proper processes in place to correct incorrect deposit and transfers on different accounts of clients, while 35% of the

respondents did not know that banks are able to correct incorrect deposit hence they were neutral. However, 10% of the respondents disagreed with the statement.

With regards to the financial services providers' process to inform clients of changes in trading hours or days, nearly two-thirds of the respondents (65%) agreed to the fact that communication is done by banks to inform clients about changes with regards to operating hours. However, 17% of the respondents were neutral about the statement while 18% disagreed that banks do the communication for time changing in operating hours and days.

The results show that 70% of the respondents agreed that they receive communication regarding price or product features changes through e-mails, brochures, post or media before they were initiated by the banks, while 19% were neutral about the statement. On the other hand, 11% of respondents disagree with the fact that communication is done with regards to price and product changes before initiating.

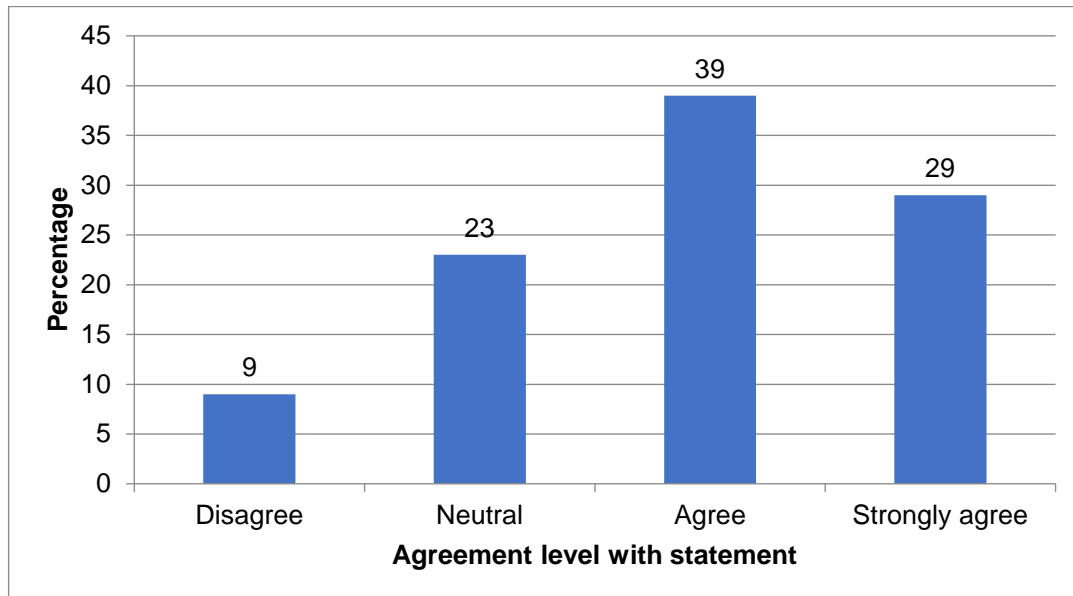
On the issue of full explanation on contracts or banks documentation before the clients signed, 78%% of the respondents agreed 15% of the respondents were neutral and 7% disagreed to the fact that bank employees do explain to the clients the fine print in the banks' documents or contracts. With respect to banks communicating their objectives to clients, 64% agreed with the statement. However, 27% were not aware if banks do communicate their objectives to their clients, hence they were neutral. On the other hand, 9% disagreed with the fact that communication is done by banks regarding banks objectives.

Regarding the banks capabilities to identify incorrect deposits and transfers between accounts, 50% of the respondents agreed. More than a third of the respondents (35%) did not know if banks have the capability to identify incorrect deposits, hence there were neutral, while 15% disagreed with the fact that banks can identify incorrect deposits and transfers between clients' accounts and third party.

4.6 CLIENTS' PERCEPTIONS REGARDING COMPLAINTS HANDLING

Figure 4.1 illustrated the agreement level of banking clients regarding the quickness of solving problems or queries.

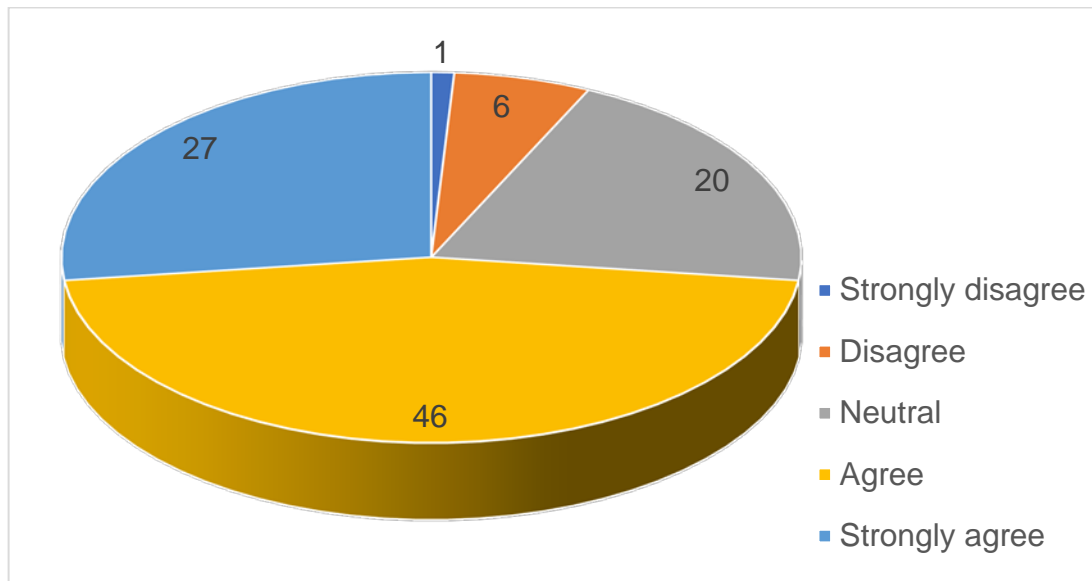
FIGURE 4.1: Clients' perceptions regarding the quickness of solving problems or queries



The results revealed that 68% of the respondents agreed that their bank resolves problems and queries quickly. However, 23% of the respondents were neutral with the fact that enquires are solved quickly, while 9% of the respondents disagreed with the statement. The results represent what was found by Kaura (2013:25) that customers are satisfied if services needed at a specific day are obtainable quicker and easier without waiting for a long time to be served.

Figure 4.2 presents the results regarding whether problems or queries are handled in a satisfactory manner.

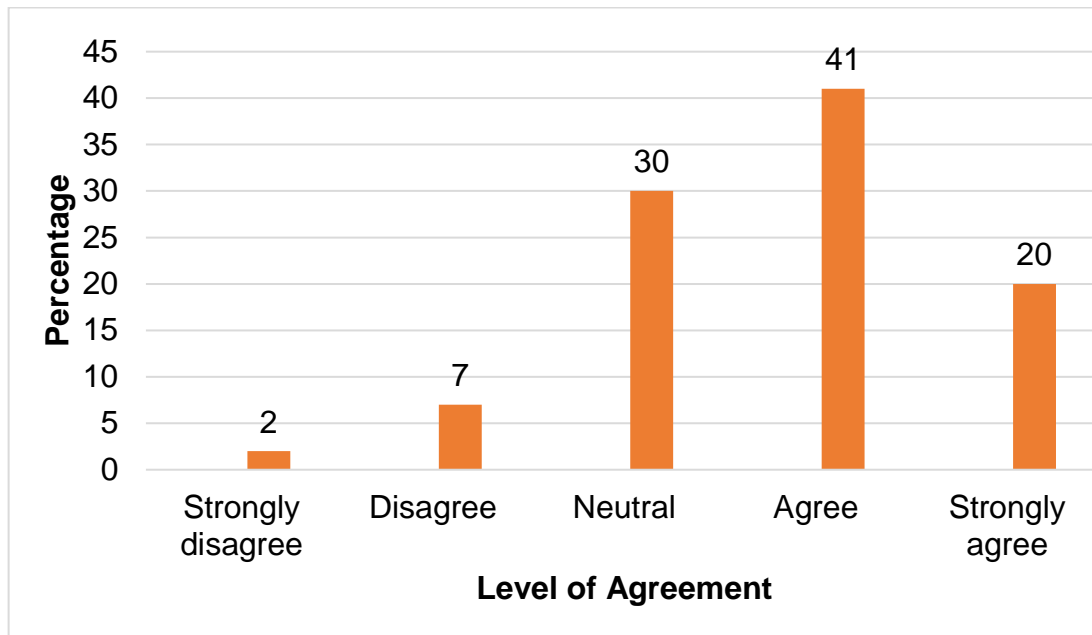
FIGURE 4.2: Clients' perceptions regarding the handling of problems or queries in a satisfactory manner



The results show that 27% of the respondents strongly agreed that they are satisfied with the manner in which their complaints have been managed by the banks, while 46% of the respondents agreed. However, 20% of the respondents did not know if they are satisfied or not by the way their complaints' have been handle hence they were neutral. In addition, 6% disagreed and 1% strongly disagreed with the fact that banks do handle complaints in a good manner. The results do not represent what was found by the Ombudsman (2016:140) that the number of complaints regarding banks has increased which indicates that banks are not managing customers' complaints in a good manner. As a result, customers are not satisfied with the resolutions of complaints, therefore they forward their complaints to the Ombudsman for better solutions.

Figure 4.3 illustrates the results of whether clients agree that the bank communicates with the client during the process of resolving the problem or query.

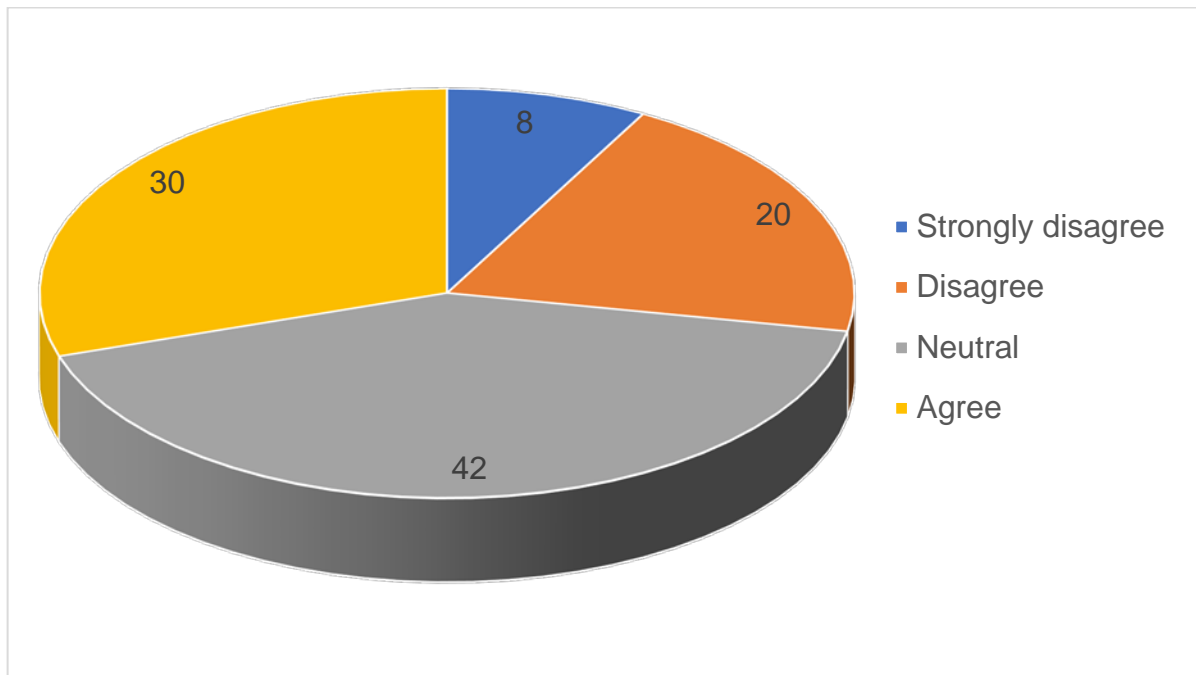
FIGURE 4.3: Clients' perceptions regarding whether the bank communicates with the client during problem or query solving



The study also assessed whether banks communicate with clients during the process of solving a client's complaints. The results indicate that only 20% of respondents strongly agreed and 41% also agreed with the proposition, whilst 30% remained neutral. However, 7% of the respondents disagree and 2% strongly disagreed that the banks communicate during the process of solving a complaint. This result regarding to communication during the process of solving a complaint opposes the results found by Adams *et al.* (2016:218-231) that customers are dissatisfied with lack of communication with respect when acquiring about the progress of a complaint from the bank employees.

The results pertaining to whether the bank is always helping their clients with their problems are illustrated in Figure 4.4.

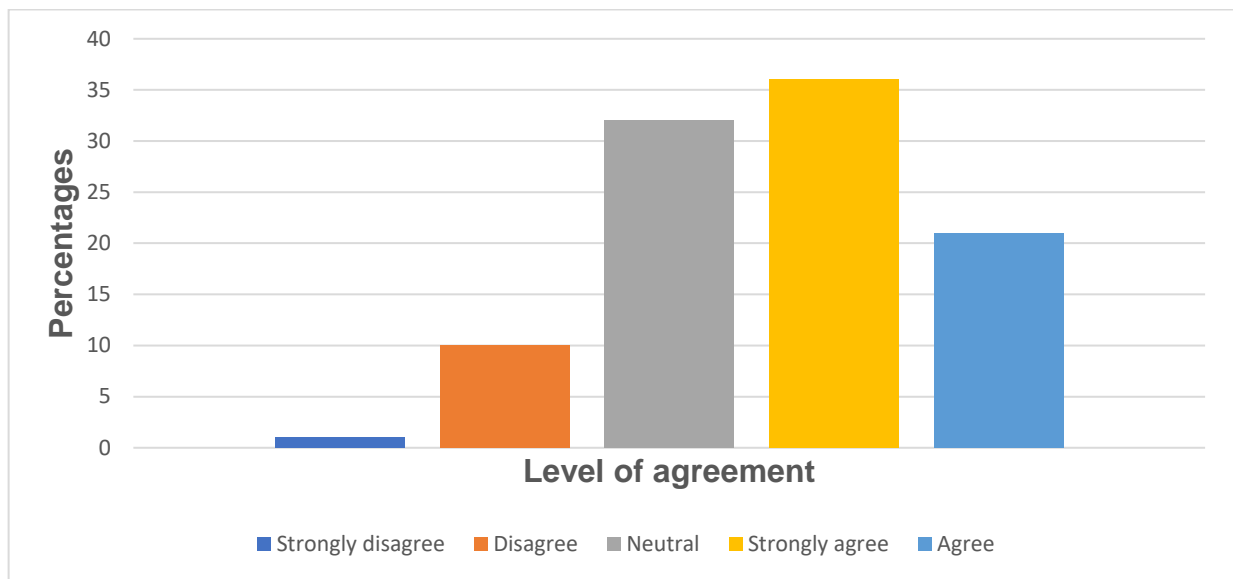
FIGURE 4.4: Clients' perceptions regarding whether the bank is helping clients with their problems



An assessment was also carried out to determine whether customers' complaints are always solved by the bankers. The survey results indicate that 30% of the respondents agreed, while majority of 42% remained neutral. However, 20% of the respondents disagreed and 8% strongly disagreed with the fact that banks do not always come up with resolutions regarding customers' complaints. The findings from the Ombudsman (2016:65) which indicate that businesses are failing to meet the needs of customers by resolving the problems of the customers.

The perceptions of clients regarding the availability of a manager when clients have a grievance is summarised in Figure 4.5.

FIGURE 4.5: Clients' perceptions of the availability of a manager when clients have a grievance



With regard to the availability of management in banks when customers have complaints or grievances, the results indicate that 21% of the respondents agreed strongly and 36% agreed with the statement. However, 32% were not sure if management were availability at branch level, hence they were neutral, while 10% of the respondents disagreed and 1% strongly disagreed with the fact that management are available in the banks to assist clients with their problems.

4.7 VALIDITY TESTING

There are three types of validity that were tested, namely, face, content and construct validity. Academic experts in the field of management screened the questionnaire to determine if it was effective in terms of the stated aim in order to test face validity.

Secondly, as discussed in Chapter Four, content validity was conducted through a pilot test. The pilot test was conducted through asking a few respondents to complete the questionnaire before handing out the final questionnaire to all the respondents. The pilto test was conducted to determine whether the respondents understand the questions they are being asked and that no question is vague or interpreted incorrectly.

Thirdly, an EFA was performed to test construct validity. In this study, an EFA was used to measure whether the items used to measure a certain factor are indeed measuring the intended factor. The factors with a minimum of three items with factor loadings of at least 0.5 were regarded as valid. Factor loadings of 0.5 and greater were accepted as providing evidence of construct validity and Cronbach's alpha coefficients of 0.7 were regarded as sufficient proof of reliability. Kline (1994) states that the interpretation of reliability is the correlation of test with itself for example. Squaring the correlation value and subtracting it from 1.00 produces the index of measurement error, for example if a test has a reliability of 0.80, there is 0.36 error variance (random error) in the scores ($0.80 \times 0.80 = 0.64$; $1.00 - 0.64 = 0.36$). The estimated reliability increases with a decline in the index of measurement error (Nunnally & Bernstein 1994). Table 4.5 provides the factor structure with all the factor loadings for each item used to measure the four factors.

Out of the five items which were originally developed to measure the factor *Complaints handling*, only four loaded together. However, four items originally developed to measure *Processes*, also loaded with the four items measuring *Complaints handling*. Therefore, the items Complaints 1, Complaints 2, Complaints 3, Complaints 4, Processes 4, Processes 1, Processes 6, and Processes 7, were used to measure the factor *Complaints handling*. The factor loadings for the factor *Complaints handling* ranged from 0.5223 to 0.8355. The factor *Complaints handling* explains 17.15% of the variance in the data. Therefore, *Complaints handling* is operationalised as the bank assisting me with my problem by an available manager while being communicated with while resolving my problem.

Out of the eight items which were originally developed to measure the factor *Processes*, only three loaded together with one item originally developed to measure *Products*. Therefore, the items Processes 2, Processes 3, Processes 8, and Products 4 were used to measure the factor *Processes*. The factor loadings for the factor *Processes* ranged from 0.5927 to 0.8017. The factor *Processes* explains 12.55% of the variance in the data. Therefore, *Processes* has be operationalised as the bank providing me with facilities to perform my financial transactions in a satisfactory manner, either in the bank or online banking, with appropriate processes in place to correct incorrect financial transactions.

TABLE 4.5: Factor structure with factor loadings

Variable	Factor Loadings (Varimax raw) (Research data1) Extraction: Principal components (Marked loadings are >.500000)			
	Factor 1	Factor 2	Factor 3	Factor 4
Processes 6	0.8355	0.1341	-0.0383	0.0660
Complaints 2	0.6988	0.2916	0.0998	0.2765
Processes 7	0.6984	0.2341	0.1219	0.0377
Complaints 4	0.6260	0.0591	0.1547	0.3507
Processes 1	0.6236	-0.1176	0.1812	0.3032
Complaints 3	0.5995	0.3423	0.3077	0.2155
Complaints 1	0.5620	0.1977	0.1743	0.3701
Processes 8	0.1874	0.8017	0.1414	-0.0312
Processes 3	0.1513	0.7577	0.2471	0.0291
Processes 2	0.0666	0.6828	0.3013	0.1702
Products 3	0.0562	0.2183	0.8776	0.1346
Products 1	0.1365	0.1091	0.8737	0.1452
Products 2	0.0432	0.2004	0.8279	0.0881
Services 6	0.0715	0.0928	0.1353	0.7390
Services 2	0.2521	0.0266	0.1551	0.7021
Services 4	0.1883	-0.0448	0.1724	0.6901
Services 3	0.1643	-0.0978	0.2699	0.6016
Services 5	0.3615	0.2693	0.1912	0.5828
Services 8	0.0864	0.1941	0.1648	0.5773
Services 7	0.3395	0.2454	0.1759	0.5214
Services 1	0.0989	0.4950	-0.0384	0.4383
Complaints 5	0.4040	0.2528	-0.0476	0.3078
Products 5	0.2990	-0.2598	0.5547	0.2277
Processes 5	0.3416	0.4143	0.2965	0.1930
Products 4	0.3715	0.5927	0.1233	0.1663
Processes 4	0.5223	0.1819	0.3370	0.1411
Products 6	0.4593	-0.3291	0.2486	0.0941
Products 7	0.4466	0.4084	0.1627	0.0463
Expl.Var	4.8011	3.5128	3.4547	3.8149
Prp.Totl	0.1715	0.1255	0.1234	0.1362

Out of the seven items which were originally developed to measure the factor *Products*, only four loaded together. Therefore, the items Products 1, Products 2, Products 3, and Products 5 were used to measure the factor *Products*. The factor loadings for the factor *Products* ranged from 0.5547 to 0.8776. The factor *Products* explains 12.34% of the variance in the data. Therefore, *Products* are operationalised as the bank having secure operational ATMs, in-branch statement printers and fully operational online banking.

Out of the eight items which were originally developed to measure the factor *Services*, only seven loaded together. Therefore, the items Services 2, Services 3, Services 4, Services 5, Services 6, Services 7, and Services 8 were used to measure the factor *Services*. The factor loadings for the factor *Services* ranged from 0.5214 to 0.7390. The factor *Services* explains 13.62% of the variance in the data. *Services* are therefore operationalised as the bank having friendly and knowledgeable customer representatives and management team available to assist customers in a quick turnaround time.

Therefore, all the items (Services 1, Complaints 5, Processes 5, Products 6 and Products 7) that did not load on any of the factors were excluded from further analysis.

4.8 RELIABILITY TESTING

Reliability means that the scores from the tools used are stable and reliable and the results should be similar when the tool is utilised by another researcher at different times (Creswell 2005:142). When the reliability of a factor is less than 0.7, it is considered that the measuring instrument is unreliable. When factors measured indicate 0.8 to 0.9 the measuring scale of that factor will be considered to be highly reliable. The results of the reliability testing of the measuring tool are presented in the paragraphs to follow. Table 4.6 summarises the reliability results for the factor *Services*.

TABLE 4.6: Reliability of Services

Variable	Summary for scale: Mean=28.0500 Std.Dv.=4.25304 Valid N:100 (Research data1) Cronbach alpha: 0.830019 Standardized alpha: 0.831883 Average inter-item corr.: 0.417356				
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Service 2	24.0000	13.2800	3.6442	0.6274	0.7988
Service 3	23.9100	14.4019	3.7950	0.4826	0.8211
Service 4	24.0100	12.9499	3.5986	0.6251	0.7989
Service 5	24.1300	13.5331	3.6787	0.6525	0.7962
Service 6	23.9600	13.4584	3.6686	0.6096	0.8018
Service 7	24.0300	13.5691	3.6836	0.5574	0.8102
Service 8	24.2600	13.5124	3.6759	0.4986	0.8216

The Cronbach's alpha coefficient for the independent variable *Services* is 0.83, suggesting that the scale measuring this factor is highly reliable. Table 4.7 summarises the reliability results for the factor *Products*.

TABLE 4.7: Reliability of Products

variable	Summary for scale: Mean=16.6500 Std.Dv.=2.79022 Valid N:100 (Research data1) Cronbach alpha: 0.841847 Standardized alpha: 0.842872 Average inter-item corr.: 0.614986				
	Mean if deleted	Var. if deleted	StDv. if deleted	Itm-Totl Correl.	Alpha if deleted
Products 1	12.5200	4.3496	2.0856	0.8024	0.7454
Products 2	12.5100	4.3299	2.0808	0.7364	0.7723
Products 3	12.4700	4.1691	2.0418	0.8069	0.7396
Products 5	12.4500	5.4075	2.3254	0.4004	0.9116

From the Cronbach's alpha results indicating 0.84 for the independent variable *Products* suggesting that the measuring scale is reliable. The reliability results for the factor *Processes* is presented in Table 4.8.

TABLE 4.8: Reliability of *Processes*

variable	Summary for scale: Mean=14.5500 Std.Dv.=3.02640 Valid N:100 (Research data1) Cronbach alpha: 0.821307 Standardized alpha: 0.817340 Average inter-item corr.: 0.540172				
	Mean if deleted	Var. if deleted	Stdv. if deleted	Itm-Totl Correl.	Alpha if deleted
Process 2	11.0100	5.4499	2.3345	0.6439	0.7751
Process 3	10.9600	4.8784	2.2087	0.7449	0.7251
Process 8	11.0400	4.7784	2.1860	0.7231	0.7365
Products 4	10.6400	6.5104	2.5515	0.4809	0.8410

The Cronbach's alpha coefficient for the independent variable *Processes* is 0.82 indicating that measuring scale for processes are highly reliable.

TABLE 4.9: Reliability of *Complaints handling*

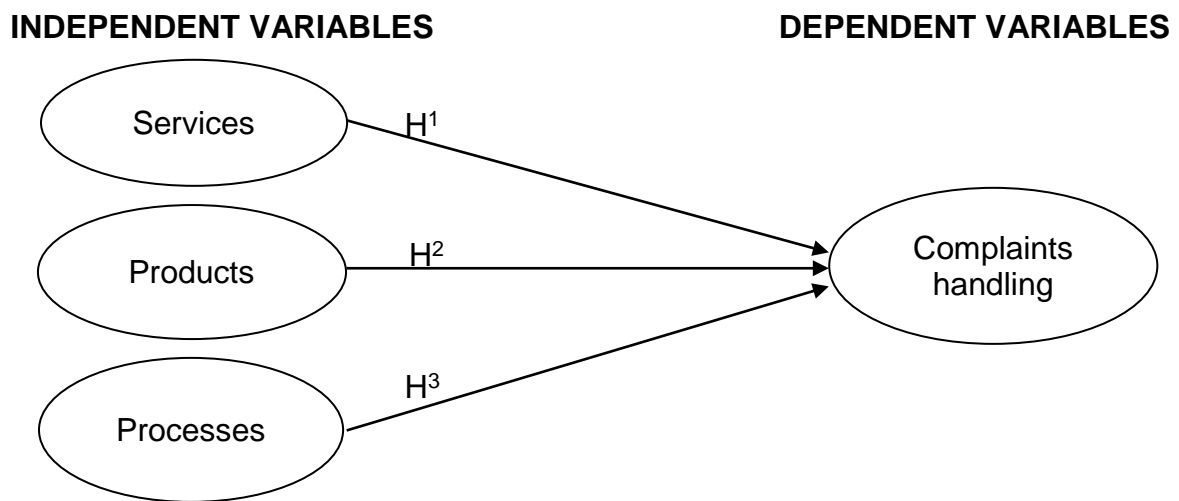
variable	Summary for scale: Mean=30.8000 Std.Dv.=5.38235 Valid N:100 (Research data1) Cronbach alpha: 0.877386 Standardized alpha: 0.879303 Average inter-item corr.: 0.483755				
	Mean if deleted	Var. if deleted	Stdv. if deleted	Itm-Totl Correl.	Alpha if deleted
Complaints 1	26.9200	22.1336	4.70464	0.64893	0.86114
Complaints 2	26.8800	21.6256	4.65033	0.75564	0.85008
Complaints 3	27.1000	21.7700	4.66583	0.69393	0.85627
Complaints 4	26.8600	22.2804	4.72021	0.65455	0.86057
Process 1	26.8700	23.2131	4.8180	0.58850	0.86728
Process 4	27.1100	22.5779	4.75162	0.51057	0.87791
Process 6	26.8100	22.3339	4.72588	0.67237	0.85888
Process 7	27.0500	22.8075	4.77572	0.61008	0.86515

The Cronbach's alpha of the dependent variable *Complaints handling* is 0.88 and therefore the scale can be regarded as highly reliable.

4.9 HYPOTHESISED MODEL REVISITED

The influence of *Services*, *Products* and *Processes* on *Complaints handling* in the banking industry were investigated in this study. Figure 4.12 illustrates the hypothesised relationships between the three independent variables and the one dependent variable.

FIGURE 4.6: Hypothesised relationships of the factors influencing *Complaints handling*



Source: Researchers' own construction

Therefore, the following hypotheses are formulated to be empirically tested in the study:

- H¹: There is a significant relationship between *Services* and *Complaints handling* of banks.
- H²: There is a significant relationship between *Products* and *Complaints handling* of banks.
- H³: There is a significant relationship between *Processes* and *Complaints handling* of banks.

4.10 PEARSON PRODUCT MOMENT CORRELATION COEFFICIENT

The Pearson product moment correlation coefficient (r) was calculated to measure whether there is a correlation between the independent and dependent variables used in this study. The correlation coefficient varies from -1.00 (a perfect negative relationship) to +1.00 (a perfect positive relationship). If the outcome shows 0.00, then there is no relationship between the variables (Struwig & Stead 2013:168). Table 4.10 shows the results of the correlation coefficient between the independent and dependent variables in this study.

TABLE 4.10: Pearson product moment correlation coefficients

Variable	Correlations (Research data1) Marked correlations are significant at $p < .05000$ N=100 (Casewise deletion of missing data)					
	Means	Std.Dev.	Complaints handling	Processes	Products	Services
Complaints handling	3.8500	0.6728	1.0000			
Processes	3.6375	0.7566	0.4905	1.0000		
Products	4.1625	0.6976	0.4291	0.3436	1.0000	
Services	4.0071	0.6076	0.6014	0.3471	0.4560	1.0000

Evident from Table 4.10, the strongest significant positive correlation exists between *Complaints handling* and *Services* ($r=0.6014$; $p<0.05$). In addition, a significant positive moderate correlation exists between *Complaints handling* and *Processes* ($r=0.4905$; $p<0.05$). The results show that there are significant positive moderate correlations between *Products* and *Complaints handling* ($r=0.4560$; $p<0.05$), *Complaints handling* and *Products* ($r=0.4291$; $p<0.05$) and *Processes* and *Complaints handling* ($r=0.3471$; $p<0.05$). The lowest significant positive moderate correlation was between *Processes* and *Products* ($r=0.3436$; $p<0.05$).

Based on the results presented in Table 4.10, it is evident that the respondents agreed with the items used to measure *Products* and *Services*, while they also have a strong tendency towards agreement with the items measuring both *Complaints handling* and *Processes*. The responses for all the items are closely knitted together as can be seen from the small standard deviations.

4.11 MULTIPLE REGRESSION ANALYSIS

Creswell (2005:336) defines multiple regression as a statistical technique for analysing the combined relationship of multiple independent variables with a single dependent variable. Additionally, these methods are useful even to analyse if independent variables predict a dependent variable. Regression coefficient (R^2) is used to measure the strength of relationship between independent and the dependent variables (Struwig & Stead 2013:168). Table 4.11 summarises the results of the hypotheses testing using multiple regression analysis.

TABLE 4.11: Multiple regression

N=100	Regression Summary for Dependent Variable: Mean Complaints (Research data1) R= .68124615 R ² = .46409631 Adjusted R ² = .44734932 F(3,96)=27.712 p					
	b*	Std.Err. of b*	b	Std.Err. of b	t(96)	p-value
Intercept			0.4312	0.3879	1.1117	0.2690
Mean Process	0.2936	0.0817	0.2611	0.0727	3.5938	0.0005
Mean Product	0.1268	0.0861	0.1223	0.0830	1.4726	0.1441
Mean Service	0.4417	0.0862	0.4891	0.0955	5.1231	0.0000

Based on the results presented in Table 4.11, it is evident that both *Processes* and *Services* positively influences *Complaints handling* as significant relationships ($p < 0.05$) exist while *Products* does not ($p > 0.05$). This implies that both *Processes* ($b = 0.2611$; $p < 0.05$) and *Services* ($b = 0.4891$; $p < 0.05$) have significant relationships ($p < 0.05$) with *Complaints handling*. *Services* ($t = 5.1231$) has a greater influence on *Complaints handling* than *Processes* ($t = 3.5938$). Therefore, hypotheses H^1 and H^3 will be accepted while hypothesis H^2 will be rejected. Based on the results presented in Table 4.11, if the complaints regarding services and processed are addressed, then clients will be satisfied with how complaints are handled. However, the solving of complaints regarding products do not have a significant influence on how satisfied clients are with complaints handling.

4.12 SUMMARY OF THE CHAPTER

In conclusion, most of the respondents who contributed to the study were between the ages of 20 and 49 years. The respondents were mostly black females who bank at Capitec Bank. Most of the respondents agreed that their banks take 48 hours to resolve their complaints. The majority of the respondents suggested that they would require their banks to resolve their complaints within one or five days.

Most of the respondents responded positively towards the items dealing with product related issues such as having fully operational online banking, fully operational statement printers in the branches, and receiving SMS updates on delayed transactions). Many respondents were mostly disagreeing or neutral to the statement of their banks having fully operational ATMs. Most respondents were satisfied with processes of their banks applies because they agreed or strongly agreed with their banks having processes that assist their clients to perform financial transactions in a satisfactory manner, ensure fairness with regards to deceptive, dishonest, or unfair behaviour presented by staff and clients, and implement appropriate processes to resolve incorrect deposits and transfers between clients' accounts and third-party accounts. Respondents are dissatisfied with the lack of assistance from their bank when having a problem as respondents mostly disagreed or were neutral to their banks being helpful with assisting them with their problems.

The results, which concur with the previous findings, show that Capitec Bank is the top bank in resolving complaints. Clients as explained in previous chapters complain mostly about insufficient ATMs, long waiting queues and lack of management in assisting clients with their complaints that is in line with the literature. Therefore, issues related to services and processes, except for products, influence complaints handling of banks.

In the next chapter, Chapter Five will provide a summary and discussion of the results presented in order to answer the research questions of this study. Moreover, recommendations on how financial services providers should consider putting more focus on customers' complaints to stay competitive in the industry will be provided. The

contribution and limitations of the study will also be discussed in this chapter. Further recommendations for future research will be highlighted at end of chapter.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

Chapter Four presented the empirical results from the data collected from the respondents who participated in this study. Chapter Five provides the summary and discussion of the results as the purpose of the study is to determine whether relationships exist between the three independent variables (*Services*, *Products* and *Processes*) and the dependent variable *Complaints handling*. Based on the results, recommendations can be made to banks on the types of clients' online complaints and clients' perceptions of complaints handling. The contribution and limitations of the study will also be discussed in this chapter. Recommendations for future research will be highlighted at end of the chapter.

5.2 SUMMARY OF THE RESEARCH OBJECTIVES

The background of the study which was discussed in Chapter One allowed the researchers to formulate the problem statement, the purpose of the study as well as the primary, secondary and methodological objectives for the research. The purpose of the study was to investigate the factors influencing online clients' complaints handling, specifically services, products and processes complaints in the banking industry. In order to achieve this purpose, relationships between the independent variables and the dependent variables needed to be measured and analysed.

In support of the primary objective, a number of secondary objectives were formulated to assist. The objectives include:

- To determine what clients complain about online;
- To investigate whether the response time (hourly, daily, weekly or monthly) by financial services providers for the various clients' complaints to resolve complaints are acceptable; and

- To investigate whether the clients' online complaints are resolved in a satisfactory manner.

5.3 SUMMARY OF THE LITERATURE REVIEW

A study conducted by SAcSi on ABSA bank, Capitec Bank, FNB, Nedbank and Standard Bank, reveals the best and worst banks in South Africa. Out of a sample of 16 000 clients, Capitec Bank and FNB were found to be the leaders in customer satisfaction. These two banks are leaders in customer services since they have transformed from the traditional banking industry to the digital banking industry.

The purpose of the study was to determine if clients are satisfied with the outcomes they receive from complaining online about banks. The FSB deals with clients' complaints in the banking industry. HelloPeter revealed that clients complain online about banking services, products, and processes. Banks are financial institutes that facilitate the provision of offering financial instruments such as taking deposits, making loans, and opening saving accounts for clients'. The banking industry consist of central and local banks. Central banks are government regulated and they deal with macroeconomic issues. Local banks are deposit taking banks.

Technology is vital for the banking industry since the market is changing into a more digital market. Technological advances in banks possess a lot of challenging but it is required since it increases market share for businesses. Technology improves the flow of products and services between clients and businesses. New technological products such as cellphone, mobile and internet banking has eased the use of banking products and services offered by banks to clients. Technology has also change means of payment in banks by offering electronic payments instead of carrying cash by wallet or in hand. Technology has also lessened the work for banking industry employees leading to employees having more time to do other tasks. Employees have also gotten a chance to learn new skills by which they teach clients how to utilise the digital channels offered by banks.

Excellent customer service is vital to retain clients'. Customer satisfaction and services are a major concern in the banking industry. Therefore, clients' complaints should be

handled in an effective manner. Clients' are different, and they perceive products and services differently. BASA regulates the Code of Banking Practice which derives minimum standards for services and conducts what clients can expect from banking products or services. The Code of Banking Practice consist of regulations on client entitlements and client responsibilities.

It has been found that over the past years client complaints in the banking industry has increased due to fraudulent activities, shortage of ATM's and lack of excellent services in banks. Banks have a mechanism through which clients can complain through and are attended to within five hours. Clients complain more after the holiday season since they start realising changes in their accounts they failed to realise during the holidays. Clients can further complain to the National Consumers Commission or the Ombudsman if they are dissatisfied with the resolution they receive from the bank.

Banks are businesses that facilitate the trading of deposits from savers to borrowers. Banks are crucial to maintain the safe keeping of savers funds and provision of funds to lenders for their current financial needs. Savers earn interest on their savings while lenders pay interest on their loans. To provide the trading services for savers and borrowers, banks need to keep up with the changing market conditions. Technology has taken the banking industry by storm, with digitalisation being the top requirement in the banking industry. Banks have initiated cell phone banking, internet banking and self-service devices for clients to have control over their accounts from the comfort of their own homes.

Digital banks such as Capitec Bank and FNB, have maintained high ratings in the SAcSi due to their innovative technological services. These two banks are rated top leaders in the banking industry for customer satisfaction. Capitec Bank which is rated the top leader, followed by FNB, has increased their client market share to 9.3 million in 2017. Banks offer products such as the remote banking apps, MasterPass, or self-service terminals (such as ATM and Statement printers), allow clients to do transactions on their accounts themselves.

There has been a rise in the number of customer complaints caused by bad service, processes, and products. Clients are complaining about bad services received from

bank branches and customer care centres. Branches of certain banks follow different processes which makes it difficult for clients to be given information that is consistent. Products offered by banks are either incomplete or the benefits are not explained in fully leading to misconception of the product.

Banks are moving forward with the technological advances but they may be falling short in managing clients' complaints. Clients can contact branch managers, contact customer care, National Consumers Commission, HelloPeter, BadServiceSA and the Ombudsman for any valid customer complaint. It is of importance that banks resolve clients' complaints to eliminate losing clients to competitors. Banks reviewing complaints may lead to improving products to meeting clients' needs and retaining or gaining more clients. Therefore, banks should monitor customer satisfaction regularly to limit clients' complaints. Dissatisfied clients may be caused by complaints. Resolving clients' complaints quickly may lead to customer satisfaction.

The way in which the research will be conducted will be explained in Chapter Three. The chapter will examine the research design, the research paradigm, the research methodology and methods that will be followed in this study. The population, sample and the type of sampling technique adopted in this study will be addressed. The questions where, how and what regarding the primary and secondary data collection will be answered. The measuring instrument used to collect valid and reliable data from respondents will be explained. The statistical methods used to analyse the data will also be discussed.

5.4 SUMMARY OF THE RESEARCH DESIGN AND METHODOLOGY

The research design and methodology were discussed in Chapter Three. The study adopted a positivist paradigm that gives rise to the quantitative approach. Therefore, a quantitative approach was followed to determine whether relationships exists between the independent variables and the dependent variable when investigation clients' online complaints handling by banks in Nelson Mandela Metropolitan area. Furthermore, the primary data was collected by making use of self-administered questionnaires using the five-point Likert type scale and secondary data was obtainable by means of textbooks, academic articles. The population for this study

were clients who make use of banking services within Nelson Mandela Metropolitan area.

The basic descriptive statistical methods used to analyse the primary data collected from the questionnaires including the mean and the standard deviation. To measure the content validity a pilot study was undertaken and an EFA were conducted to ensure construct validity. Further, Cronbach's Alpha coefficients were calculated to determine the reliability of the measuring instrument. Moreover, the Pearson product moment correlation coefficient was used to determine if associations exist between the variables. To establish if relationships exist between the independent variables and the dependent variable and to determine the strength of these relations, multiple regression was used.

5.5 SUMMARY OF THE RESULTS FROM THE EMPIRICAL INVESTIGATION

The study revealed that most of the respondents were females within the age bracket of 30 to 39 years. Concerning the population group the majority were from black population followed by white population. The results indicated that only 1% of the respondents were not willing to disclose which population group they belonged to. With regard to the bank the respondents use, the results indicated that most of the respondents are Capitec Bank clients, followed by FNB. Regarding the time taken by banks to resolve clients' complaints, the study revealed that banks take less than 48 hours to resolve complaint this was indicated by 54% of the respondents.

Section A of the questionnaire involved all items relating to both the independent and dependent variables which generated the results in relation to the extent to which respondents agreed or disagreed with the questionnaire items. To ensure content validity of the measuring instrument, a pilot study was conducted. Furthermore, an EFA was performed to ensure construct validity. If the items for the variables had a factor loading greater than 0.5 they were accepted, while items with factor loadings less than 0.5 were excluded for further analyses.

To test the validity of each factor the Cronbach's alpha coefficient was used. A reliability coefficient of 0.7 was used as a cut off. Moreover, the results indicated that

the Cronbach's alpha coefficient for all the variables were above, 0.7, illustrating the measuring instrument was regarded as being reliable.

Descriptive statistics was calculated to describe the independent and dependent variables. The two descriptive measures, the mean and standard deviation were calculated for each variable. The independent variable *Services* obtained the highest mean, while the independent variable *Processes* obtained the lowest mean. The highest standard deviation is reported for *Services* and the lowest standard deviation is reported for *Processes*.

The Pearson product moment correlation coefficient was used to determine whether correlations existed between the independent and the dependent variables as well as to measure the strength of the correlation. The strongest positive correlation exists between *Complaints handling* and *Services*, therefore if banks improve on solving services complaints, then complaints handling will also improve. As a strong positive relationship exists between *Products* and *Services*, respondents do take note of the services provided while obtaining banking products as well as paying attention to the products offered by the bank when using the bank's services. In contrast a moderate positive correlation exists between *Processes* and *Products*, implying that if processes are improved, clients may then increase the use of the banks products.

Multiple regression analysis (MRA) was used to determine whether relationships exist between the independent and dependent variables. Only two of the three hypotheses were accepted. Statistically significant relationships were found between *Processes* and *Complaints handling* and between *Services* and *Complaints handling*. Therefore, if banks improve the solving of the processing and services complaints, then complaints handling will also improve.

5.6 CONCLUSIONS TO THE STUDY

The aim of the study was to investigate what banking clients complain online and how those complaints are managed by the banks. The study found that respondents are highly inconvenienced when ATMs are not fully operational. Another concern of respondents are the long waiting queues as clients do not like to wait for a long time

before being assisted. Furthermore, clients perceive that banks do not reorganise incorrect deposits quickly. However, the results revealed that clients are satisfied with the manner with which their complaints have been handled by the banks.

Therefore, the four research questions are answered. Clients complain about services, products and processes (RQ¹). Furthermore, clients complaint to the customer representative or management team (RQ²). The respondents perceive that online complaints are resolved in a satisfaction manner (RQ³). If clients are not happy with the manner in which the complaint was resolved or handled, clients to complain to management or on social media (such as Hello.Peter.com) (RQ⁴).

5.7 RECOMMENDATIONS

A number of recommendations are made to banks regarding *Services*. Members of the management team should be available in banks especially when clients are experiencing problems and the client service representatives are unable to assist. The availability of management could influence the decision of clients not to go further with a complaint about the services, products and processes offered by the banks. Clients tend to feel more important when they receive response from management. Therefore, it is important for banks to resolve complaints, as unresolved complaints could lead to clients' dissatisfaction which could result in the banks losing clients. Effective management of complaints lead to clients gaining trust in the bank and maximises the opportunities of clients' willingness to make use of other products or services provided by the bank.

It is recommended that banks should ensure that online banking and all ATMs are fully operational and easy to navigate/operate when required by customers to perform financial transactions, as meeting customers demand is one of the components to stay competitive in the industry. Furthermore, banks should develop strategies to minimise the time spent in the long queues by clients. Friendly and knowledgeable customer representatives and cashiers should be available to assist clients with the relevant information required by clients. Management should invest in purchasing of efficient technology that would significantly reduce the waiting time of clients in their effort to access certain services as well improving the quality of services in general.

Banks should pay more attention to become more effective in identifying and correcting incorrect deposits created by clients or employees' members. Employees should receive regular training in new technology and client services as trained employees will minimise the level of incorrect transaction that are occurring in banks. When the complaint is laid, management should treat the matter fairly between both the client and the employee. Moreover, to be successful in the industry it is essential to keep employees feeling important and that their opinions are valued. While resolving complaints, it is recommended that the banks keep the clients informed in term of the progress made regarding the complaint.

Clients are demanding more up-to-date technology in banks, therefore banks should make sure they keep up with the demands of clients. Banks such as Capitec Bank and FNB are well known and succeeding in the financial market due to their improved digital systems as discussed in literature. Knowing what clients want, is a need for banks since the bank may lose market share that may lead to financial instability.

Improving existing products and services is also a major concern for banks since clients' interest can change with time; therefore, changing products or service such as insurances or interest loans can attract clients to the bank. Clients should also be given sufficient information on products and services and being made to feel special or wanted. Therefore, regular communication with the clients should take place to keep the client up-to-date with the latest developments at the bank.

5.8 LIMITATION TO THE STUDY

The study was conducted in Port Elizabeth and reflects perception of the sample selected from the identified geographic area. Hence it may not be a true representative of the population.

The study could have also used other methods of data collection such as face-to-face, e-mail or telephone interviews in order to identify what type of complaints clients have and how they expect these complaints to be resolved. An interview with banks' employees could have also been used during the data collection of the study, since

the employees would be able to directly state which complaints they deal with daily and how they resolve these complaints.

5.9 FUTURE PROPOSED RESEARCH

The banks were selected based on the top five banks in South Africa. Furthermore, the other banks of the same sector can be considered for future studies. The sample in this study refers to the results from only five banks, which could lead to a misrepresentation of the results and a problem in extrapolating the results. Therefore, future research should be extended to include a more representative and heterogeneous sample. Future research should extend complaining behaviour to all the financial services providers, different industries and customer contexts. Future research should examine the influence of culture on consumer complaining responses to further theoretical understanding regarding cultural influence in consumer complaining behaviour. In addition, the study focused on customers' complaints handling in banking industry. Therefore, future research will be able to determine other factors that relates to customers in banks such as building customer relationship.

5.10 LEARNING AND REFLECTION

At the beginning of this study the researchers were overwhelmed by the quality of work and the writing style that was required for this treatise. During the process of completing the study the researchers developed writing skills. Moreover, the researchers have discovered other abilities that they were unaware of. In addition, the investigators perspective regarding research studies was negative at the beginning of the year. However, the researchers found the research studies more interesting and are motivated to do other research studies. Therefore, it has been a challenging and interesting journey at the same time.

Through the acknowledgement of our study leader, the researchers had found hope in passing the module. The good relationship the researchers had with the study leader led to them pushing themselves to greater limits of doing research, preparing work on time and continuously consulting with the study leader on matters that needed attention. The endless need of the researchers to succeed pushed them to learn the

appropriate writing skills and to fix grammar mistakes by proof reading and after obtaining feedback. As researchers now, one can say that 'writing a report, conducting data collection and reporting it' is a skilled acquired through Honours studies.

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ANNEXURE A: Sample Questionnaire



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July-August 2018

Dear Respondent

RESEARCH PROJECT: CLIENTS' ONLINE BANKING COMPLAINTS: A CLIENT PERSPECTIVE

Thank you for your willingness to assist us, Ms Fundiswa Makapela and Ms Noxolo Gqokoma, in this research project that forms part of our honours programme. This research project focuses on complaints lodged online by banking clients and whether clients are satisfied with the resolution of these complaints.

If these complaints are not managed effectively, it will affect the bank negatively. Banks are an essential part of the economy as banks provide financial services such as savings accounts and offering loans to clients. However, banks are also facing a diversified market that is changing at a rapid pace. New innovations are being introduced in order to remain competitive. However, it is also important that banks retain their clients by providing products and services that meet the clients' need using processes that are client-friendly.

Therefore, the purpose of this research project is to identify what clients complain about and whether clients are satisfied with how the complaint is resolved.

Attached please find the questionnaire to be completed for the purpose of this study.

The questionnaire comprises of two sections. Section A comprises of a number of statements relating to clients' online complaints and the resolution thereof. The section B aims to collect demographic data of the respondents.

The questionnaire should take no longer than 15 minutes to complete. Participation in this research is voluntary and anonymous. Even though no confidential information is required, your responses will be treated with the strictest confidentiality. You have the right to withdraw at any time during the research.

Thank you once again for your willingness to contribute to the success of this important research project.

Yours faithfully

Fundiswa Makapela (Honours student)

Cell: 0783967787

Prof J Krüger (Study leader)

Janine.kruger@mandela.ac.za

Gqokoma Noxolo (Honours student)

Cell: 0737319627

Prof C Rootman (Co-study leader)

Chantal.rootman@mandela.ac.za

SECTION A: FACTORS RELATING TO ONLINE COMPLAINTS AND THE RESOLUTION THEREOF

Please answer the following questions based on your own perceptions of your own bank. There is no right or wrong answer. Please indicate to what extent that you agree with the following statements, namely (1) 'strongly disagree', (2) 'disagree', (3) 'neutral', (4) 'agree' and (5) 'strongly agree'.

	My bank	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1	Has short waiting queues	1	2	3	4	5
1.2	Provides me with processes that assist me to perform my financial transactions in a satisfactory manner	1	2	3	4	5
1.3	Provides me with online banking that is fully operational	1	2	3	4	5
1.4	Ensure fairness with regards to deceptive, dishonest, or unfair behaviour presented by staff and clients	1	2	3	4	5
1.5	Implement appropriate processes to resolve incorrect deposits and transfers between my account and third-party accounts	1	2	3	4	5
1.6	Has customer representatives that are friendly and cheerful	1	2	3	4	5
1.7	Provides me with online banking that is secure	1	2	3	4	5
1.8	Resolves my problems or queries quickly	1	2	3	4	5
1.9	Provides me with online banking that is quick and easy	1	2	3	4	5
1.10	Informs me of changes regarding trading hours/days	1	2	3	4	5
1.11	Communicates price or product feature changes to me through emails, brochures, post/ media	1	2	3	4	5
1.12	Has customer representative that greet and offer assistance to me	1	2	3	4	5
1.13	Handles my problems or queries in a satisfactory manner	1	2	3	4	5
1.14	Has customer representatives that provide appropriate information to me	1	2	3	4	5
1.15	Communicates with me during the process of resolving my problem or query	1	2	3	4	5
1.16	Has customer representatives that are readily available when needed at my bank	1	2	3	4	5
1.17	Provides me with products that I am satisfied with	1	2	3	4	5
1.18	Has customer representatives with knowledge of my bank's products and services	1	2	3	4	5
1.19	Always help me with my problem	1	2	3	4	5
1.20	Explains everything (credit applications, home loans and personal loans) before I sign the documents	1	2	3	4	5

	My bank	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.21	Provides me with services that I am satisfied with	1	2	3	4	5
1.22	Communicates their objectives their clients	1	2	3	4	5
1.23	Manager is always available when I have a grievance	1	2	3	4	5
1.24	Has statement printers in the branch that is fully operational	1	2	3	4	5
1.25	Has ATMs that is fully operational	1	2	3	4	5
1.26	Has an experienced management team	1	2	3	4	5
1.27	Recognise incorrect deposits and transfers between my account and third-party accounts	1	2	3	4	5
1.28	Sends me SMS updates on delayed transactions	1	2	3	4	5

SECTION B: DEMOGRAPHIC INFORMATION

2.1 Gender

Male	1	Female	2
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2.2 Population group (for statistical purposes only)

Asian	1	Black	2	Coloured	3
White	4	Other – Please specify:			5

2.3 Age (for statistical purposes only)

21-29	1	30-39	2	40-49	3	50-59	4	60+	5
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2.4 Bank

Absa	1	Capitec Bank	2
FNB	3	Nedbank	4
Standard Bank	5	Other – please specify:	6

2.5 Bank's time taken to resolve complaint

Less than 48 hours	1	Less than 1 week, but more than 48 hours	2
1 to 2 weeks	3	2 to 3 weeks	4
3 to 4 weeks	5	1 to 2 months	6
2 to 3 months	7	3 to 4 months	8
4 to 5 months	9	More than 5 months	10

2.6 Indicate an acceptable response time to resolve a complaint_____

Thank you for your participation

ANNEXURE B: Ethics clearance



FACULTY OF BUSINESS AND ECONOMIC SCIENCES

ETHICS CLEARANCE FOR TREATISES / DISSERTATIONS / THESES

Instructions:

- Should be completed by supervisor and student
- Must be signed off by student, supervisor and HoD
- Submit completed form to Ms Lindie van Rensburg
- Please ensure that the research methodology section from the proposal is attached to this form
- ***Please note that by following this Proforma ethics route, the study will NOT be allocated an ethics clearance number***

FACULTY: Business and Economic Sciences

SCHOOL / DEPARTMENT: Management Sciences / Business Management

I, Krüger, J the supervisor for Noxolo Gqokoma (211153362) and Fundiswa Makapela (20617954) candidates for the degree of B Com Hons (Business Management) with a treatise entitled "Clients' online banking complaints: a client perspective" considered the following ethics criteria (*please tick the appropriate block*):

		YES	NO
1.	Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?		X
2.	Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		X
2.1	Are subjects/participants/respondents of your study:		
2.1.1	Children under the age of 18?		X
2.1.2	NMMU staff?		X
2.1.3	NMMU students?		X
2.1.4	The elderly/persons over the age of 60?		X
2.1.5	A sample from an institution (e.g. hospital/school)?		X
2.1.6	Handicapped (e.g. mentally or physically)?		X
3.	Does the data that will be collected require consent of an institutional authority for this study? (An institutional authority refers to an organisation that is established by government to protect vulnerable people)		X
3.1	Are you intending to access participant data from an existing, stored repository (e.g. school, institutional or university records)?		X
4.	Will the participant's privacy, anonymity or confidentiality be compromised?		X

4.1	Are you administering a questionnaire/survey that:		
4.1.1	Collects sensitive/identifiable data from participants?		X
4.1.2	Does not guarantee the anonymity of the participant?		X
4.1.3	Does not guarantee the confidentiality of the participant and the data?		X
4.1.4	Will offer an incentive to respondents to participate, i.e. a lucky draw or any other prize?		X
4.1.5	Will create doubt whether sample control measures are in place?		X
4.1.5	Will be distributed electronically via email (and requesting an email response)? Note: If your questionnaire DOES NOT request respondents' identification, is distributed electronically and you request respondents to return it manually (print out and deliver/mail); AND respondent anonymity can be guaranteed, your answer will be NO. If your questionnaire DOES NOT request respondents' identification, is distributed via an email link and works through a web response system (e.g. the university survey system); AND respondent anonymity can be guaranteed, your answer will be NO.		X
5.	Do you wish to publish an article from this study and submit to an accredited Journal?		X

*Please note that if **ANY** of the questions above have been answered in the affirmative (**YES**) the student will need to complete the full ethics clearance form (REC-H application) and submit it with the relevant documentation to the Faculty RECH (Ethics) representative.*

and hereby certify that the students have given their research ethical consideration and full ethics approval is not required.

SUPERVISOR(S)

DATE

HEAD OF DEPARTMENT

DATE

STUDENT(S)

DATE

ANNEXURE C: Turnitin results

Treatise chapter 2

ORIGINALITY REPORT

11 %	8 %	3 %	7 %
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES
