Customer Services Management and Satisfaction of Internet-related Banking of First National Bank

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DECLARATION

I, Monique Nkumba Ntandunzadi, declare that this dissertation which I hereby submit for the degree of Master of Arts in Communication at the North-West University, is my own work and has not previously been submitted by me at this or any other university. Any assistance that I have received and all materials contained herein, have been duly acknowledged in the dissertation.

The opinions and conclusions expressed in this study are mine and must not be seen to represent the views, opinions or conclusions of the North-West University.

Monique N.Ntandunzadi

Signature

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PREFACE

The researcher is a student at the North-West University, Mafikeng Campus. She graduated with a Bachelor of Arts, Honours in Communication at the University of Kinshasa in 2012. She worked as a Manager at Vlisco, Passage Africain shop in the Democratic Republic of Congo from 2013 to 2014 and later resigned to further her studies abroad.

ABSTRACT

This study seeks to evaluate the level of customer satisfaction with Internet-related banking services of First National Bank (FNB) and also to examine FNB's customer service management strategies in dealing with customer complaints. To achieve these aims, the researcher used the mixed methods approach: qualitative and quantitative. In terms of the qualitative dimension of the study, interviews were conducted with two heads of the customer services department of FNB: Mega-City and Mafikeng Mall branches. The qualitative data collected guided the researcher in understanding FNB's customer services management strategies, approaches and reactions to Internet-related banking service complaints of customers. With regard to the quantitative approach, the researcher conducted a survey among 100 members of the public who have and operate bank account(s) with FNB. The quantitative approach revealed how customers perceive the management of their complaints by the customer services Unit of FNB. The findings of this study revealed among others, that a large majority of the respondents (Bank Customers) use and appreciate FNB's Internet-related banking services, some have had issues in the past and had lodged complaints with the banking institution. The study also revealed that FNB has properly defined and communication channels through which customers can lodge complaints. A substantial number of those who have had issues and reported them, expressed satisfaction with the manner in their problems were resolved. This category of respondents considers FNB customer service personnel friendly, helpful and considerate. They are of the opinion that FNB is doing its best to manage complaints lodged by customers.

TABLE OF CONTENTS

LIST OF TABLES

1.1 Background to the study

Today, competition among businesses has become increasingly intense and organisations realise that they cannot compete with each other solely on price, but need to focus on their value customers; therefore companies have to consider its customers more than ever.

The increasing power of the customer and fierceness of the competition mean that many organisations are seeking their marketplaces and profit margins eroded. The challenges for business today is to move from product orientation to customer focus. This is becoming more difficult because customers are increasingly sophisticated, educated and well informed, so they have high expectations of the service they want to receive.

The difference between a customer and a consumer is both fundamental and negligible. A person who buys a product from a sales point is a customer; any person who uses a product, not minding where and how he/she gets it, is a consumer. Baby products such as diapers give a clear illustration. Parents are the customers while the baby is the consumer. It is, however, possible to be both a customer and a consumer in a business transaction, if one buys and uses the product or service at the same time. Customer/consumer satisfaction is a transaction-specific affective response resulting from the customer/consumer's comparison of product performance to some pre-purchase standard (Hunt, 1977 in Giese and Cote, 2000). Customer satisfaction is equally described by Oliver (1997:13) as the perceived fulfilment response and judgement of the customer, of the service or product features and promises. The level of consumption-related fulfilment – including levels of under or over-fulfilment.

From the above, the concept of customer satisfaction could be analysed through a fulfilment response or judgement of a product or service as well as the affective response of the customer to the product or service. It is the post-purchase evaluation of an offering which helps an organisation not only to determine the level of customers' loyalty to their offering, but to also manage the image and relationship of their brand.

The explosive growth in digital technology has fundamentally changed people's lives. The Internet has transformed consumers' behaviour; people now have access to vast amounts of online information from a large and broad range of sources (Pulizzi and Barett, 2009). Hence, customers can find anything according to their needs and wants, leading them to make an intelligent buying decision (Pulizzi and Barett, 2009).Armstrong and Kotler (2013:55) emphasise that the digital age has also provided marketers with exciting new ways and efficient strategies to learn about and track customers, to create products and services tailored to suit the individual needs of customers. One of the sectors where new technology is growing significantly is financial institutions, especially the banking sector. "Financial institutions, more than in the past, are doing their best to be more competitive, seeking ways to increase their customer base, reduce transaction costs, improve the quality and timeliness of response, facilitate self-service and customisation" (Shirzad, Beikzad and Jafar, 2014), and improve customer communication and customer relationship management (Nimako, Gyamfi and Wandaogou, 2013:165).

With the significant growth of competition in the market place, satisfying customers with high quality service and sustaining responsive communication, remains critical in building and sustaining strong relationships with customers. In order to keep pace with the customers, banks started developing diverse products and services that are aided by the Internet (Online electronic money transfer, Automated Teller Machine (ATM), Point of Sales (POS), and other Internet purchase and payment platforms). The idea of Internet banking is to personalise, simplify and ensure safety. Customers who subscribe to Internet/online banking, need not go to the bank physically; they need not carry cash from point "A" to "B", since with the press of a combination of keys on the computer or cell phone, banking services such as checking account balances, transfer of funds, purchase and payment for goods and services are made within little time. According to Goosen, Pampallis, Van der Merwe and Mdluli (2008:187), the relationship between a bank and its clients is very important, both for the bank and the customer. Banks are entrusted with customers' money and are obliged to manage it professionally. Today, banks and, indeed, financial institutions, have come to understand and appreciate the principles of customer service and customer satisfaction; hence, they offer a variety of services to satisfy the financial needs of their customers. Information and Communication Technologies (ICT) have changed the way businesses are conducted today. The Internet has impacted the business world at a multitude of levels (Strange, 2009). The Internet is more than a platform for information sharing. Today, customers can buy goods, make their orders online, book holidays, transfer and receive money, check account balances and communicate with their banks through mobile or personal computer. As a matter of fact, businesses have become more available electronically.

With the emergence of the Internet, the hitherto distance between the buyer and seller became blurred. The Internet technology now facilitates fast and accurate transactions. The Internet, according to Panda (2008), is responsible for the considerable changes in the banking industry in recent years. The pace of change is likely to continue, although the future and the speed at which the changes will occur are difficult to predict. For sure, the advent of information and communication technology (ICT), particularly the growing use of automated teller machines (ATM), point of sale terminals (POS) and online transactions, no doubt, have relegated to the dust bin of history, all clerical banking operations such as the posting of ledger accounts and customers' statements by hand, physically visiting the bank and spending valuable time in the queue. For the customer and the banking staff, banking has simply changed. Peter and Olson (2005:275) insist that Internet banking services offer to consumers, a tremendous amount of freedom and independence. In this era of intense competition, serious firms now focus on keeping their customers satisfied. That is why marketing theorists assert that customer satisfaction, communication and high quality service are essential to business success (Goosen *et al.*, 2008:181-185).

According to Panda (2008), as early as 1945, there appeared to be a considerable drop in customer satisfaction/dissatisfaction research from a public policy perspective, while there was an obvious growth in consumer satisfaction research in the private sector. This may not be unconnected with the growth of the service sector of the economy, and managers realising that tracking customer satisfaction is crucial to organisational success. Similarly, Grigoroudis (2010) opines that the growth interest in customer satisfaction in the early 1980s could be linked to the development of service quality. Grigoroudis (2010) further adds that researchers in management, found and realised that managers do not have to rely only on the improvement of product and service standards as their internal metrics and standards of their business organisation, but that they also have to combine it with the information and feedback of customers. Prior to the 1980s customer satisfaction tended to be measured informally (for example, by front line staff, asking people if they were happy) or through annual surveys of customers. During this period, most large brands and organisations were not really focussed on the study of customer satisfaction; they were more focused on enhancing products and logistics. The common questions asked were about price, location and competition in the market.

As many organisations grow to become multinationals, understanding and tracking specific issues faced by customers started to grow significantly and dramatically, particularly in the mid-1970s. Total quality management (TQM) was the specific areas of the management that helped researchers to measure the level of customer satisfaction. "The key idea of total management formalises customer satisfaction as a quality component, which appears as a major quality of awards and emphasises the exploitation of customer satisfaction data within a business organisation" (Grigoroudis, 2010). On the other hand, the concept of customer satisfaction started to be explored by scholars of the school of marketing in a socio-psychological perspective. Consumer satisfaction research seeks to find out how customer satisfaction is conceptualised, and how it impacts on future purchase decisions.

Before the digital age, conducting studies on customer satisfaction was expensive; customer satisfaction research was paper-based, through postal and face-to-face channels. By 1990, with the introduction of Relationships Management, a new paradigm in marketing ~~which~~ came into being as a result of the extension of marketing into the services industries, with the aim of developing not just a close relationship with the customer but also to make them loyal customers; the interest in big data grew and by 2000, there had been a large shift towards online research (Panda, 2008).

Most studies on early customer satisfaction were based on survey data. The alternative approach, relatively used, was complaints data, which focussed on the extent to which consumers voluntarily speak up about their dissatisfaction over services provided. Such data have the advantage of not requiring field surveys. This notwithstanding, most research studies on customer satisfaction/dissatisfaction sought to calibrate the amount and types of dissatisfaction in the marketplace as a basis for policy planning.

1.2 Statement of the problem

Customers' post-purchase evaluation of a service offering determines the level of satisfaction or dissatisfaction. Despite FNB's huge investment in Information and Communication Technologies and the great benefits associated with online banking, both for the customer and the bank, customers' complaints continue to be on the increase. As a matter of fact, the 2015 Rogers Bank Ombudsman's annual report on banking complaints and other related issues reveal that South African banks drew the most customer complaints in 2015. The report states that a total of 5,021 cases were opened, of which, 4,899 were closed. The biggest portion of the closed cases were solved at the bank (3 431) while 1 468 were closed after the banking ombudsman's investigations (Financial Ombudsman Report, 2015). The South African Reserve Bank also reports that many of the reported cases of fraud are associated with electronic payment systems linked to Internet banking (Business Tech, 2016).

Modern day business is customer-centric. The customer is the major reason for any business; hence, customer relationship management/customer services have become a critical department or unit of any bank. Internet-related banking services are also developed to ensure freedom, safety and independence. Yet, customers complain about quality of services, security issues, and the management of their complaints. These make a number of customers and prospective customers sceptical and reluctant to fully subscribe to Internet banking services. If this be the case, then what is the benefit of Internet-related banking services to the customer? What is the relevance of customer service management? And how do customers perceive bank response to their complaints?

To provide excellent service, an organisation needs to exceed customer expectations. An important factor in providing good service is to always keep promises and not to guarantee things that cannot be delivered. Thus, this research is conducted to measure whether the current situation of customer service still to be satisfactory or not. Furthermore, to consider the possible way that can be improved compare to past research. Hence, the current customer satisfaction level and factors affecting those satisfactions were discussed in this study in order to bring new knowledge in research.

3 Objectives of the study

The objectives of the study were to:

(a) Evaluate the level of customer satisfaction with Internet-related banking services of FNB;

(b) Examine the management of customers' complaints regarding Internet banking services by the customer service Department of FNB; and

(c) Examine customers' perceptions of FNB management and treatment of complaints by the customer service Department.

1.4 Research questions

In order to achieve the objectives of this study, the following research questions were asked:

(a) What is the level of usage of Internet-related banking services of FNB by its customers?

(b) What are the types and nature of complaints of FNB customers in relation to Internet-related banking services?

(c) How are Internet-related banking services complaints made, received and managed by the customer service unit of FNB? and

(d) How do customers of FNB perceive complaint channels and treatment of their complaints?

1.5 Significance of the study

The research establishes a link between customer service management and customer satisfaction. The premise of this study is that customer satisfaction contributes significantly to the industry's profitability. This study will benefit not only FNB but other financial institutions rendering Internet-related financial services. It provides information on how customers perceive their services and response strategies of customer complaints. This will, no doubt, assist banks in their customer service management planning and development of new products. Scholars interested in further studies in the area of customer service management may also find this study relevant.

1.6 Structure of the study

Chapter One (Introduction)

This chapter provides a background to the problem investigated in the study. It also provides an overview of the aims and objectives of the study as well as the significance of the study.

Chapter Two (Theoretical framework and literature review)

This chapter examines scholarly literature on customer service and satisfaction in order to address the research problem identified in the study. It also provides the theoretical framework that informed the study.

Chapter Three (Research methodology)

The chapter focuses on the research methods and research design used in conducting this study. The qualitative and quantitative approaches are explained and their differences provided. Data collection procedures, sampling and data analysis are also provided in this chapter.

Chapter Four (Research findings)

This chapter presents the findings and interpretations of results.

Chapter Five (Conclusions and recommendations)

The final chapter focuses on the contribution of the study, its limitations as well as recommendations for further research.

CHAPTER TWO

THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.0 Introduction

Scholars and researchers have conducted research on customer satisfaction and customer service and developed theories to understand the processes through which customers form satisfaction judgements. This chapter provides the theoretical framework that informed the study as well as the literature review.

2.1 Theoretical framework

There are several theoretical approaches on customer satisfaction and quality services as well as theories related to satisfaction and expectations. Organisations in this digital age have become more and more customer-centric-and tend to improve services and products to meet customer expectations. Nimako *et al.* (2013:166) recommend to firms and particularly to banks that offer services related to the internet to periodically and consistently measure the level of satisfaction of customers to avoid complaints. Since customers use Internet-related banking service channels, they may not be satisfied to some extent with certain aspects and dimensions of the service. This leads to complaints and, therefore, to dissatisfaction since customers' expectations are not met.

For this reason, this study hinges on the disconfirmation theory or expectancy disconfirmation model which explains how the process of satisfaction/dissatisfaction works. The theory assisted the researcher in better understanding the process of satisfaction. The study traces how the customer service department of FNB treats, manages and responds to customers' complaints in order to satisfy its customers. The disconfirmation of expectancy and equity models are the two main theoretical paradigms that could be considered to show the bond between customer satisfaction and transaction costs (Kunst and Lemmink, 1996:5).The first one implies that satisfaction is a function of the difference between expectations concerning the performance of the service or product to be purchased, as formulated before purchase and use (Kunst and Lemmink, 1996:5). The disconfirmation theory maintains that the new service experienced by customers is compared with a standard they wanted, desired and expected (Mill, 2011:8). The purchase of the product is followed by a post-purchase evaluation stage (Hoffman, Czinkota, Dickson, Dunne, Griffin, Hutt, Krishnan, Lusch, Rokainen, Rosenbloom, Sheth, Shimp, Shigua, Simpson, Speh and Urbany, 2005:184). "When consumers' expectations are ~~not~~ met by the product or service performance, consumers are satisfied, and when the consumers' expectations are surpassed by performance, they are delighted" (Hoffman *et al.*, 2005:184).Mile (2011:8) posits that when customers compare the service performance received with previous expectations, the process of satisfaction is completed at this time; the result is confirmation, satisfaction, or dissatisfaction. "When expectations are high and performance is low, moderately low disconfirmation results (that is, expectations are not met)". High performance results in moderately high levels of expectations being met (EM) due to confirmation" (Mile, 2009:9). When expectations are low, low performance results in very low EM ratings, while high performance results in very high EM ratings due to a surprise effect. "If expectations match performance at any level, conformation results and EM represents the value of the expectations and performance level" (Mile, 2009: 9). Therefore, organisations must note that, they should not only focus much attention on improving product or service performance; they must be concerned about consumers' expectations since customer satisfaction consistently impacts the future purchase decision.

Theorists of the disconfirmation model contend that the concept of expectations is considered as the model that customers use before making any purchase decision. "This model is used as the equitable performance, which is formed by the consumer based on the individual's costs or investment and anticipated rewards, hence, the ideal product or service performance which is the consumer's ideal level of service performance and the experience-based norms are the desired level of performance based on experience with competitor and the relationship quality" (Mile, 2009:9).

FNB customers have expectations of better Internet-related banking services and better customer services care, so their expectations are confirmed when they are treated with care and this treatment brings about solutions expected to the complaints expressed. Thus, they draw conclusions of satisfaction. But once their expectations are not met and their complaints are not solved as expected by FNB customer services, at this time, their expectations are disconfirmed, and they end up saying that they are not satisfied with the management of customer services regarding Internet-related banking services. Satisfaction and/or dissatisfaction of FNB customers' complaints regarding Internet-related banking services depend on the expectations that FNB customers have developed about customer services. Customers have in mind that once they report or express complaints to the relevant service (such as the customer service Department/ Unit), the personnel negotiates solutions to the complaints and the customer finds satisfaction to their complaints. Thus, the problem reverts to the bank, where FNB customer service has the primary goal of bringing satisfaction to its customers. Bank business is customer-centric; its goal is to focus on the needs of its customers and to do whatever it could in order to bring total satisfaction to their needs.

2.2 Service quality and satisfaction

Quality is a concept related to the attitude of customers and their comprehensive evaluation of the service (Panda, 2008:306). Service quality is always evaluated after its consumption. This evaluation is made during the delivery of service when the customer encounters the service personnel. Every customer has some level of expectations from the product and its performance; therefore, it depends on firms to reach, at least, the lowest point of this level (Panda, 2008:303). The service quality management process involves matching evolving customer expectations, so firms need to understand that the customer is satisfied when his or her expectations match the perceived service, and when the perceived service passes over the expected service, the customer is delighted (Panda, 2008:303). In agreement with Panda (2008:303), if business enterprises fail in meeting expectations, the result may be customer dissatisfaction, complaints and withdrawal of service consumption. However, the most widely used model to translate theories of customer satisfaction into management practice as recommended by Soutar (2001) cited in Mill (2011:9), is the model of SERVQUAL. In the SERVQUAL model, service quality is defined as the difference between customer expectations and customer perception of service received.

Leading service and consumer durables must lead companies to always measure the gap between the service expectations of the customer against the perceived service as a routine feedback (Panda, 2008: 307). What the business enterprises promised and what is offered has an impact on the quality of services; as a matter of fact, the Four Gaps model explains it better: "the service provider does not know what customers expect; the wrong service quality is set; standards are not met; what is delivered does not equal what was promised; and therefore, the service does not meet expectations" (Panda, 2008:307).

A sequential five step approach is suggested to firms for developing an efficient strategic management approach for customer satisfaction. The objectives of service quality are to: identify whether or not a problem exists; manage customer expectations for them to be realistic with the service offering; identify customer needs and expectations of quality service; develop service quality standards based on customer expectations; evaluate the human resource system to hire, train; and motivate employees who are willing and able to deliver quality service (Mile, 2011:10).

Dimensions of service quality refer to the elements which a customer judges as relevant in developing a good quality service (Panda, 2008:303). A firm that has a reputation of good quality has a major advantage, particularly on its competitors. Good quality bridges the gap between pre-use perceptions and post-use experience of the service consumed (Panda, 2008:303). The criteria used by consumers that are important in satisfying their expectations and perceptions have ten dimensions as follows: reliability; tangibility; credibility; responsiveness; communication; security; accessibility; empathy; and courtesy (Zeithalm and Berry cited in Panda, 2008:306). Therefore, the quality management of service has to be increased by business enterprises for three major reasons: companies have to seek ways of creating differential advantage by having better service levels than competitors; increase the level of consumerism and greater media attention on quality issues; and grow a sophistication of consumer markets (Panda, 2008:303). Kunst and Lemmink (1996:5) purport that as could be seen, customers formulate expectations about the fact that they can trust the counterpart and the exchange will guarantee equity to the parties.

2.3 Literature review

2.4 Customer satisfaction

The marketing concept declares that the customer is king (Arnould, Price and Zinkham, 2004:758). Marketing management is to identify customer desires and then develop a marketing programme to satisfy customers with a profit (Panda, 2008:17).This philosophy advises managers to satisfy customer needs and wants. What keeps customers coming back? Customer satisfaction is the key concept (Arnould *et al.*, 2004:758). Zeithalm, Bitner and Gremler (2009) and Mc Cant and Heerden (2010) define customer satisfaction as the product or service evaluation, whether it exceeds or meets the expectations of customers.

Customer satisfaction is a post-purchase evaluation of a service offering (Oh, 2000, Bolton and Drew, 1991). According to Abdallat and El - Emam (2014), this traditional definition of customer satisfaction, follows the disconfirmation paradigm of consumer satisfaction/dissatisfaction. Consumer satisfaction or dissatisfaction results from the interaction between the consumer's pre-purchase expectations and post-purchase evaluation (Cadotte *etal.*, 1987). When a customer's needs, wants and expectations are met or exceeded, repeat-purchase and customer loyalty is the result (Anton, 1996). Abdallat and El - Emam (2014) further state that the overall business strategy consists of two parts, the "offense" and the "defence", and that success-oriented firms apply some of the combination of offensive and defensive strategy. While the offensive strategy is for new customer acquisition, the defensive strategy is to protect the existing customer. Customer satisfaction is, therefore, a defensive strategy and the behavioural objective is customer loyalty (Fornell, 1992).

In this era of intense competitive pressures, organisations focus much effort on improving services or products in order to keep customers satisfied and loyal. This is particularly true in the financial services sector where deregulation has created an environment that allows consumers considerable choice in satisfying their financial needs. In response to this deregulation, many banking institutions are directing their strategies towards increasing customer satisfaction. Banks are pursuing this strategy in part because of the difficulty in differentiating the services that individual banks offer.

Therefore, in this highly competitive business environment, with an extensive range of products and services leading to increased choices for customers; for business and market to succeed, there is a need to create and retain customers. This capacity to retain customers involves meeting the requirements of chosen customers better than any other competitor. Many firms now realise that their success in the market place is not just dependent on the quality of products and services offered to the customer, but more on the number of customers they retain. The pursuit of customer satisfaction is supposed to result in a customer-base, which is loyal to the organisation (Arnould *et al.*, 1996:758). Hence, customer satisfaction is typically defined as the degree to which a product or service meets or exceeds the customer's expectations about the product/service (Ferrell and Hartline, 2005:124).

2.5 Customers' expectations of service

Customer expectations are beliefs about service delivery that function as standards or reference points against which performance is judged (Phiri and Mcwabe, 2013:97). For example, in the self-service approach used when a customer is using Internet-Related Banking Services, FNB customers may hold different expectations of service performance compared to those they would have when visiting a store. Phiri and Mcwabe (2013:97) moot that customers compare their perceptions of service delivery with these reference points when evaluating service quality. Therefore, knowing that customer expectation is critical in gaining competitive advantage, and failure to understand the levels of service and customers' expectations can also mean losing a customer to competitors who meet the expectations of customers. There is an attendant risk of losing business in this regard. Hence, the need to study different types of expectations in order to understand how the FNB customer forms expectations and perceives services rendered.

2.6 Types of customer expectations

Duplessis, Strydom and Jooste (2012:540) argue that it sounds straightforward to compare the perceptions of customers with their expectations in order to measure their satisfaction. In reality, it is not as simple considering the fact that customers can hold different types of expectations. Duplessis *et al.* (2012:540) add that before discussing the types of expectations, it is necessary to first note that customers' expectations are based on their understanding of the value that they expect to receive and furthermore, act as the benchmark against which present and future purchases and service encounters will be compared. It should also be noted that the expectations of customers will vary based on the situation where the consumers are not very involved in the purchase decision, where the product price is lower and where the risk associated with the purchase is lower. Finally, customers may lower their expectations when they have fewer product alternatives or when poor performance is beyond the organisation's control (Duplessis*et al.*, 2012:540).

1. **Ideal expectations or desired expectations** represent the product or service that customers hope to receive. These expectations represent the upper end of customer's expectations and could be considered to be a mixture of what customers believe can and should be offered. Such expectations could be formed through promises made by the organisations, past experiences or communication by word-of-mouth (Duplessis *et al.*, 2012:540).

2. **Adequate expectations or acceptable expectations** are, according to Duplessis *et al.* (2012:540), the bottom level of performance that customers are willing to accept and, therefore, represent their minimum tolerable expectations without being dissatisfied. Adequate expectations form the lower end of possible expectations of customers.

3. **Predicted expectations or ideal expectations** represent what customers anticipate they will receive. Predicted expectations, like ideal expectations, could be influenced by promises made by the organisation, past experiences and communication by word-of-mouth (Duplessis *et al.*, 2012:540).

On the other hand, Berndt, Tait and Juta (2012:44-46) purport that expectations serve as the benchmarks against which present and future service encounters are compared. Berndt *et al.*

(2012:44-46) assert that it is useful to distinguish the following three different forms of expectations:

1. **Predicted service** reflects the level of service which customers believe is likely to occur. For instance, bank customers tend to conduct their banking business at the same bank, over time. They become accustomed to dealing with the personnel at the bank and begin to anticipate certain performance levels. Thus, it is generally agreed that customer satisfaction evaluation is developed by comparing predicted service to service received (Berndt *et al.*, 2012:46).

2. According to Berndt *et al.* (2012:46), **desired service** is an ideal expectation that reflects what customers actually want compared with the predicted service that they are likely to get.

3. **Adequate service** reflects a minimum tolerable expectation and reflects the level of service that the customer is willing to accept (Berndt *et al.*, 2012:46).

2.7 Importance of customer satisfaction for an organisation

Customer satisfaction is the key to customer retention (Ferell and Hartline, 2005:125). A fully satisfied customer (with the service or product) is the most likely to come back and the most likely to become loyal (Ferell and Hartline, 2005:125). Customer satisfaction complements brand building and ensures that the relationship between a firm and its customers continues into the future. Gerson (1993) posits that customer satisfaction is a baseline standard of performance and a possible standard of excellence for any business organisation. Moreover, in order to reinforce customer management orientation on a day-to-day basis, many companies choose customer satisfaction as their main indicator. Grigoroudis and Siskos (2010:3) contend that the most important advantages of customer satisfaction for an organisation are as follows: it improves communication with clients; assists organisations to determine whether the provided products and services meet the expectations of customers;

assists organisations to evaluate their strengths and weaknesses against those of their competitors; and evaluates improvement efforts regarding services offered.

The importance of customer satisfaction cannot be overstated (Hoffman and Bateson, 2002:295) as without customers, the service firm has no reason to exist. Every service business needs to proactively define and measure customer satisfaction. Waiting until dissatisfaction expresses itself as a decision to exit can have a disastrous effect on market share and profits (Arnould *et al.*, 2005:780). Arnould *et al.* (2005:780) further contend that when consumers have perceived that they have choices and do not have to patronise against a particular organisation, they will switch when they are dissatisfied. Although positive news travels at half the rate of negative news, positive stories could ultimately translate into customer loyalty and new customers. For instance, positive publicity generated for firms listed in the top ten most admired companies invites customers who are often willing to pay more and stay longer with a firm that meets their needs than take the risk associated with moving to a lower priced service offering. Rather than make a big fuss over a little thing, the consumer simply resolves to do something different next time; of course, invisible responses to dissatisfaction can gradually erode market share unless the firm makes an effort to uncover the discontent behind this action (Arnould *et al.*, 2005:780). Finally, firms that pride themselves on their customer satisfaction efforts, generally, provide better environments in which to work. Within these positive work environments, organisational cultures develop in which employees are challenged to perform and get rewarded for their efforts.

It is important for a firm to manage very well the satisfaction/dissatisfaction level of customers as it influences long-term profitability of the firm (Panda, 2008: 32). Satisfied customers generally remain loyal to the firm, recommend the product or service to other consumers, spread good word-of-mouth of the firm and switch difficulty to competitors. Such a customer offers products or service ideas to the company with costs less to serve than new customers because transactions can become routine. It has been observed that dissatisfied customers are the ones who often report to others about their bad experience of the service or product than the satisfied ones. The link between customer satisfaction and customer loyalty, however, is not proportional nor is it mathematically linear. According to Panda (2008:32), customer satisfaction base has become the main goal of many firms since a satisfied customer brings exponential revenue steam and increases profitability. For instance, suppose that the organisation is rating its customer satisfaction on a level from one to five: at a very low level of customer satisfaction (level one), customers are likely to trust the organisation and even report bad-mouth about it. At levels two to four, a fairly satisfied customer will find it easy to switch to competitors. At level five, the customer is satisfied and can likely become loyal.

The only one element which drives customers to complain is dissatisfaction, either with the product or with the services rendered by an organisation. A study conducted by Du Plessis, Strydom and Jooste (2012) found that management of customer satisfaction is a basic strategy for organisations, as satisfied customers are more likely to become loyal and less likely to switch to competitors and, therefore, more likely to be retained.

Customer satisfaction is a critical business strategy for forward-looking organisations. It aims at increasing satisfaction, which ultimately, leads to higher score scales. Customer satisfaction is an indicator of business success that measures how well customers would respond to the company in the future. Other measures of market performance, such as sales and market share, are backward-looking measures of success. They only tell how well the firm has done in the past but not how well it could do in the future. Kotler and Keller (2009:165-166) recommend to firms to always design customer satisfaction measurement programmes; in doing so, firms are likely to understand the two-factor model of customer satisfaction.

Although many authors and scholars may argue that customers are unreasonable at times, little evidence has this far been found of extravagant customer expectations. Arnould *et al.* (2004:759) suggest that in a situation where key customers are about to defect, additional effort is required to understand the reason for their imminent departure. For companies that have realised tremendous profits available in retaining customers, it is important to institutionalise this process into the daily process of the company (Arnould *et al.*, 2004:759). When a customer has a dissatisfying purchase or consumption experience, perhaps, the most common response is simply not to purchase or use the service or product again (Arnould *et al.*, 2005:780).

2.7 Measuring customer satisfaction

The measurement of customer satisfaction must be a long-term, continuous commitment of the entire organisation. The on-going measurement of customer satisfaction has changed dramatically over the last decade (Ferrell and Hartline, 2005:127). Although most firms track their customer satisfaction ratings, firms that are serious about customer relationship management, have adopted more robust means of tracking satisfaction based on actual customer behaviour (Ferrell and Hartline,2005:127).When maximising customer satisfaction, firms pursue the goal of knowing how well they are meeting customer expectations. No firm, however, can rely on customers to take the initiative to make their feelings of satisfaction or dissatisfaction known. Therefore, business firms have to set out to measure satisfaction levels of their customers. Ensuring customer satisfaction is critical to organisations as satisfied customers are more likely to become loyal and less likely to switch to competitors and more likely to be retained (DuPlessis and *al.*, 2012:543). Customer satisfaction is one of the most important issues concerning business organisations of all types (Grigoroudis and Siskos 2010:1), which is justified by the customer orientation philosophy and the main principles of continuous improvement of modern enterprises. In fact, measurement constitutes one of the five main functions of management science, allowing for the understanding and improvement of the organisation. For these reasons, it is true as confirmed by Grigoroudis and Siskos (2010:1) that customer satisfaction should be measured and translated into a number of measurable parameters. In recent decades, Grigoroudis and Siskos (2010:1) have maintained the importance of customer satisfaction measurement for business is to provide the most reliable feedback, taking into account that it provides an effective, direct, meaningful and objective evaluation of the preferences and expectations of customers. Moreover, customer satisfaction measurement provides a sense of achievement and accomplishment for all employees involved at any stage of the customer service process. In this way, satisfaction measurement motivates people to perform and achieve higher level of productivity (Wild, 1980; Hill, 1996 in Grigoroudis and Siskos, 2010:1).

2.8 Customer service

Every interaction with the customer represents a moment of truth (Chadley, 2001:12). A key factor that influences consumers' choices of retailer and other service providers is customer service (Blodgett, Wakefield and Barnes, 1995:31). Research conducted by Blodgett *et al.* (1995:31) found that another key aspect of customer service that affects consumers' choices of banking institutions and service providers is the manner in which the seller responds to customer complaints. As a matter of fact, several times, consumers make their choices based not only on the level of service provided at the time of sale but also on their perception of the level of customer satisfaction that they can expect to receive after the sale should a problem arise (Blodgett *et al.*, 1995:31). Customer service can also be seen as a process which provides time, place and forms utilities for the customer, which involves pre-sale, sale and post-sale transactions (Christopher *et al.*, 1991:4). Customer satisfaction is not just an issue in the context of the company and immediate relationship with customers as well as its downstream relationship with suppliers and even supplier's suppliers, because customer service decisions are part of marketing strategies (Christopher *et al.*, 1991:4).

Customer service

Customer service is the process of providing people with the legitimate need they require, where "legitimate need" means people's rights based upon the rules and regulations of the government and the service provider (Baz, 2016:25). Customer care means doing everything possible to look after the existing customers of an organisation. The focus is on ensuring satisfaction of these customers and involves creating a "customer first" culture throughout an organisation, since the creation and retention of customers is the prime prerogative and goal of a business. Moreover, Christopher *et al.*(1991:4) contend that customer service is not just an issue in the context of the company and immediate relationship with customers but in its downstream relationship with ultimate consumers as well as its upstream relationships with suppliers' suppliers.

Baz (2016:26) considers customer service as standing on three main pillars: service, customer and provider. The service starts if the customer requested it and provided all required inputs of the first step are in place. Each step is assigned to an individual employee or a group of employees to process it. The processing involves inspecting the checklist of each step in order to forward it to the right outcome. The customer, who is the beneficiary, is eligible to apply for the service and is required to provide the necessary inputs to the service as it progresses. The provider is the organisation that receives the request and processes it by assigning it to one or more employees.

According to Bendt *et al.* (2012:40), customer service is the provision of service to customers before, during and after purchase. Essentially, customer service is any back-up service that the organisation provides to customers in order to maintain their loyalty and to secure sale.

Firms, in general, and banks in particular, have to realise that what distinguishes them from other competitors are so little that they have to deal carefully with customers when they need assistance. According to Christopher *et al.* (1991:3), contextual perspective ranges from the marketing logistics required to accept process, deliver and build customers' orders through to the friendliness of staff in the service encounter. There are also historically bound resonances which locate a service as a servile activity and impede acceptance of the view that service underpins the exchange process and influences long-term relationships or mutual advantage (Christopher *et al.*, 1991:4). The moments of truth are the short periods of contact between a service provider and the customer; this is where service is experienced. Customer care is ensuring satisfaction; it includes everything that could maximise the level of satisfaction for a purchase both during and after sale. The interactions with customers could be critical to the achievement of satisfaction. The perception created at these times is critical to the customer's assessment of care that the organisation has for its customers. This must have inspired Gimmesson (1991) to describe the contact staff as part-time marketers, people whose prime job is not marketing, but because of their interaction with customers, have an influence on the delivery of an offering.

Adock (2000:338) emphasizes that a large number of complaints, as well as some customer defections, are caused by the unhelpful attitude of some contract employees.

Managing complaints of customers

Complaining behaviour is actually a dynamic process. While experiencing dissatisfaction, consumers can respond in a variety of ways and thus, depending on the perceived likelihood of success, one's attitude towards complaining, and the level of importance attached to the product (or service), dissatisfied customers choose whether or not to seek redress (Ostrom and Iacobucci, 2016:375). In order to get even, dissatisfied consumers who decide not to seek redress may instead engage in negative word-of-mouth behaviour, and may vow never to patronise the seller again (Ostrom and Iacobucci,2016:375). Similarly, a dissatisfied consumer willing to purchase with the same seller, will decide to trust him and give him a second chance to enhance its services and products and will not report his bad experience until he notices that the service is improved. This depends on how well the firm is able to manage and handle complaints of customers if it wants him to patronise again. "Complainants who feel that they have received a fair settlement (distributive justice), and who feel that they were treated with courtesy and respect (interactional justice), are more likely to patronise the seller again and might even engage in positive word-of-mouth behaviour" (Ostrom and Iacobucci, 2016:375). Conversely, complainants who feel that they did not receive fair settlement, or who were treated rudely may subsequently, engage in negative word-of-mouth behaviour and exit. Likewise, complainants who believe that the problem was controllable or is stable, are less likely to patronise the seller again, and may warn others not to shop there (Ostrom and Iacobucci, 2016:375).

Many banks have to know that managing customer complaints through customer services constitutes the main indicator of the profitability of an organisation. A customer who is well treated and satisfied by services agents, will give a good word-of-mouth about the company and will likely come back and trust the organisation. The main goal of having the service information systems in any organisation is to satisfy customer requirements and manage customer complaints. One of the relevant strategies to set for business theory of customer service is based on identifying and satisfying customer's needs and exceeding their expectations. As a matter of fact, everyone from top of management to the bottom, must be turned into what the company could identify and adopt in order to build success, since customer satisfaction and loyalty are linked to the quality of customer service and ultimately to the company's profitability (Gage, 2005:22).

Most of the time, customers exit and switch to the competitor because of unsatisfactory problem resolution. When a customer encounters a problem with the service or product provided, he or she may either decide to not use the service or product anymore or switch to a new supplier. Given that bank customers have relatively high switching costs, it is likely that dissatisfying experience will evoke a passive reaction of no complaint (Levesque and McDougall, 1996:13). Regarding customer complaints, the bank's response could lead to customer states ranging from dissatisfaction to satisfaction. In fact, anecdotal evidence suggests that when the service provider accepts responsibility and resolves the problem, the customer becomes bonded to the organisation. When customers complain, they give the firm a chance to rectify the problem and interestingly, if the firm recovers successfully, the complaints give an opportunity to the organisation to increase customer loyalty and profits. Hence, customer satisfaction and retention are the results of well-managed customers' complaints.

Importance of customer service

Forward thinking organisations provide excellent customer service for three reasons (Gage, 2005:21-22):

- You gain market share, if you treat customers well and offer a product or service they desire, they will stay with you, and they will tell their friends about you;
- You improve the bottom line. Offering good service profits any organisation public or private; and
- It is the foundation for lasting success.

When one offers a quality product or service that customers want, make it accessible, and treats customers well, one is bound to be successful. Assurance is one of the critical elements of online banking service quality. It describes the intension of the service provider that conveys a sense of security and credibility. Security and privacy are key elements that affect the confidence to adopt online banking services.

There are four main themes to customer care which must be seen both individually and as an interdependent set. Adock (2000:339-347) describes them as follows:

- Customer service as ensuring satisfaction: achieving high levels of satisfaction is the best way of caring for all those customers with whom an organisation wishes to trade; for anyone else, outside of the group of chosen customers, a different strategy is necessary to avoid discontented but unwanted customers;
- Customer service as managing expectations: satisfaction is measured by the differences between what is perceived to have been received by a customer and the prior expectations of that customer. In the traditional marketing concept, the suggested starting point is the establishment of the needs and wants of customers before working out how to satisfy them. It is sometimes difficult actually to satisfy a customer in every way demanded and so some compromises have to be made which reduce the absolute level of possible satisfaction. The problem is also that expectations are not always the same as needs and wants because customers make their own compromises and if they do not believe a particular combination of features could be found within available and affordable boundaries, they will modify their expectations accordingly. Customer care is also about managing expectations. It should not be left to a customer to unilaterally amend their expectations. Marketing involves promises made and these could be a vital input into the development of expectations;
- Customer service as quality interactions: customers come into contact with a supply organisation during critical incidents known as moments of truth, when they experience different levels of service and quality. During these moments of truth,

contacts with customers and employees, the individual employee becomes the company in the eye of the customer. It is, therefore, crucial that these interactions are anticipated, planned and controlled, and the employees involved trained to ensure quality delivery;

- Customer service as recovering after complaints: the complaints department should not be tucked away as a part of operations, and must not be seen as a place where problems could be hidden, but neither should it be an area where there is a blame mentality. If an open attitude that focuses on achieving satisfaction, based on constructive criticism and effective problem-solving could be established, then the organisation will be close to achieving a powerful marketing orientation. Encouraging complaints is just one way of establishing the size of any problem. Dialogue with a customer is a real bonus and there is evidence to show that where customers actually complain, they are much more likely to continue to purchase from that same supplier. This is especially true if the complaints are resolved quickly. When they do not complain and the loss is significant, then nine out of every ten will never buy from the supplier again. This shows that for complaints in excess of a hundred Rands, the percentage of customers who will buy again from the supplier is:

- Non complaints: nine percent;
- Complaints not resolved: nineteen percent;
- Complaints resolved: fifty four percent; and
- Complaints resolved quickly: twenty two percent (Goodman, 1989).

For smaller losses, the figures are even higher with ninety nine percent of those who have their complaints resolved quickly continuing to trade. The longer the problem drags on, the more positions become entrenched. It is easier and cheaper to solve things early. Fast action could be further enhanced by trying to anticipate problems and establishing contingency plans. The rules of recovery are: act fast, recover not replace, and think value, not costs.

2.9 Customer service management

The key to good customer service is to build good relationships with customers. Whenever a customer feels that his complaints are well-managed and resolved in the way expected, it is always a benefit to business. The customer service department must be considered as a great unit of the organisation that builds strong, lasting relationships with customers and enhances service or product. In customer service departments, customers report their complaints, which provide organisations with relevant information about the service quality provided. If the complaints are not well-managed, customers are likely to switch and report the bad experience to others. One of the fundamental reasons why the management of complaints must be handled with care is to reinforce customer retention, and give an opportunity to an organisation to gain prospective customers. Customer opinions always have an impact on other people's attitudes towards a business. A happy customer will return often and is likely to spend more and refer the product to others. Therefore, to provide the best customer service, this must first start with the staff members of the organisation who must have good communication and sales skills.

Chedley (2001:12) suggests that each time a staff of an organisation is with the customer, he or she must pay attention to his or her language and actions. In most cases, the customer would not comment on what he or she is listening to or seeing. The sum total of all these interactions represents how customers see the organisation externally and also represents how they may describe it to others. According to Chedley (2001:12), customers pay attention to:

Professionalism: if the workplace is clean and neat, this reflects positively on the organisation, as does the attitude of employees (Chedley, 2001:12);

Communication: the ability of employees to ask the right questions at the right time is critical to successful communication with customers;

Availability and responsiveness: customers appreciate organisations where employees are there to assist them whenever they need them;

Understanding expectations: employees must take time to clearly understand customers' needs around quality, value and timeliness. By so doing, customers put in mind and understand that the organisation cares about them;

Product/service knowledge: the ability to speak intelligently about how the products/services provided by the organisation impact customers' confidence in the organisation and ultimately, their interest in trusting the organisation; and

Managing customer's problems: if the organisation must prevent most customers' problems from happening, equally, when problems arise, the organisation must be able to take care of them to prove to customers that employees are well-prepared to deal with difficult situations.

2.10 Principles of customer service management

Customer service is among the important areas of business success. Every contact that customers have with the organisation is an opportunity to improve the reputation with them and increase the likelihood of further sales. When a customer representative works to solve a customer's problem, most of the time, it takes some steps to remedy what went wrong (Anon, 2015). Repairing a negative experience is fundamentally different from providing a positive experience in the first place; no matter how effective the customer service solution can be, the problem is the inconvenience involving other types of costs to the customer. Perreault, Cannon and McCarthy (2009:404) state that the customers report more negative experiences encountered with the seller than positive ones when they decide whether to buy the same product again. Dissatisfied customers are the ones who often spread bad word-of-mouth about their experiences with the firm to other people and even to prospective consumers rather than good ones and, therefore, the practical matter is that customer service interactions arise due to the unhappiness of the customer. Thus, if the firm does not have an effective way to provide customer service, it is consciously or unconsciously making a decision to shift to the competitor.

2.11Definition of terms

Some keywords were used in this study and are explained hereunder.

Internet-related banking services

As used in this study, Internet-related banking services refers to any personnel services provided by banks, performed through the means of the Internet and using a personal identification number and password.

Service

A service is any activity or benefit that one party can offer another that is, essentially intangible and does not result in the ownership of anything (Armstrong and Kotler, 2007:199)

Expected service

Expected service as used in this study to mean the minimum and adequate level of service desired to be received by the customer and must be present if any level of satisfaction is to be experienced. It is the level of service expected by consumers and providers of a similar service in a specific industry.

Core service

A core service, as used in this study, is the basic and first product and/or service created and offered to the customer, which delivers any form of satisfaction. It is even one of the reasons why the organisation is in business since it is sustained from its founding.

Core product

Core product, as used in this study, is the valued service provided by organisations to customers which fulfils the requirements of satisfaction. A product could be considered as having several levels, each offering different benefits to their consumers (Blythe, 2006:68). The description and features of a core product may need to be adapted over a period of time as consumer expectations shift (Blythe, 2006:68). As people come to expect more from a product as basic, disappointment sets if the product does not have the required features. Another aspect of core product is that features that provide the core benefits might differ dramatically (Blythe, 2006:69).

2.12 Summary of chapter

This chapter has examined scholarly literature on customer service and satisfaction in order to address the research problem of the study. The theoretical framework that informed the study was discussed in order to respond to the research questions. The theory used in the study assisted the researcher in better understanding the process of satisfaction and interpret data collected through interviews. The next chapter focuses on the methodology used in conducting the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The purpose of research is to solve problems, provide answers to difficult questions and to contribute to the body of knowledge. It is also a path which provides answers to the research questions and assists the researcher to achieve the research objective(s). A mixture of qualitative and quantitative research approaches were used in this study. According to Lichtman (2014:4), qualitative research is the perfect approach to use if the researcher wants to learn more about human interactions and social phenomena. Compared to quantitative methodology, which by definition is the explanation of phenomena by collecting numerical data that are analysed using mathematically-based methods in particular statistics assert (Muijs, 2004:1), quantitative research deals only with numbers as inputs and outputs whereas, qualitative methodology deals with all forms of valid inputs (text, numbers, voice, video and graphics/pictures) that can facilitate application of hermeneutical skills to derive outcomes. Thus, a mixed method approach was adopted in the study in order to respond to the research questions.

3.2 Research design

A research design is a plan of how the research is going to be conducted, indicating who or what is involved and where and when the study will take place (Du Plooy, 2009:85). The objective this research was to evaluate the level of customer satisfaction with Internet-related banking of FNB as well as the management of customers' complaints regarding Internet-related banking services of FNB.

Thus, in order to respond to the research questions and achieve the objectives of the study stated above, the researcher used a mixed method approach that tapped into qualitative and quantitative research. The qualitative research approach guided the researcher in understanding customer services management strategies and approaches of FNB: how complaints about Internet-related banking services are made, received and managed by FNB customer service unit. The quantitative approach, on the other hand, revealed the level of usage of Internet-related banking services of FNB by its customers and customers' perception of complaint channels and treatment of such complaints.

3.3 Population of the study

In any social sciences research, it is critical to have a precise description of the population of elements (persons, organisation and objects) that the research needs to focus on. Du Plooy (2009:108) defines population as any group or aggregate of individuals, groups, organisations, social artefacts, objects or social interactions and events. Treadwell (2011:108) maintains that population consists of every individual of a type that the researcher wants to investigate and is not defined by size or by the fact that it contains every one of the units the researcher has elected to study.

Two categories of population provided answers to the research questions. The first category consisted of the heads of the customer service department/units of FNB (Mega City and Mafikeng Mall branches). The two heads of the customer services unit of each branch (Megacity and Mafikeng Mall) were interviewed and they provided answers to research questions 'b' and 'c'. The qualitative data elicited from this group, equally assisted in designing the instrument for the quantitative dimension of the study. The second population of the study comprised of customers of FNB (those who have, and run account(s) with the bank), who work or/and reside within Mafikeng municipality of the North-West Province.

3.4 Sampling technique and size

A sample as defined by Bordens and Abbott (2014:159), is a small sub-group chosen from the larger population. Sampling involves following a rigorous procedure when selecting units of analysis from a target or accessible population (Du Plooy, 2009:108).For qualitative data, the researcher purposively selected and interviewed two customer service personnel, one from Megacity and Mafikeng Mall branches. This judgmental sampling approach was based on the idea that a specific person or media content that meets specific criteria which the researcher requires could be purposively selected (see, Treadwell, 2011:39). The choice of the customer service personnel was critical to the understanding of customer service management strategies of FNB and also the nature and types of Internet-related banking complaints lodged by FNB customers. For quantitative data, 100 FNB customers (those who have and run accounts with FNB) were purposively selected.

3.5 Data collection

Semi-structured interviews were used to collect qualitative data for the study. An interview guide was designed to assist the researcher in getting participants to respond to the questions. The researcher conducted the semi-structured interviews with the two heads of the customer services unit of FNB at Mega City and Mafikeng Mall branches. An interview guide is a written list of questions and topics that covers the research questions and which guides the researcher to remain focused on the direction of the study when interviewing participants. Quantitative data were collected through a questionnaire. A survey is the study of the characteristics of a sample through questioning and enables a researcher to make generalisations concerning his or her population of interest. A survey is usually employed in perception and attitudinal studies, particularly where and when the researcher seeks to uncover demographic and psychographic underpinnings of subjects. The researcher surveyed 100 FNB customers who reside and work in Mafikeng. Customers were requested to fill the questionnaire at the Megacity Mall. Members of staff and students of the North-West University, Mafikeng Campus, who were willing to participate in the study, were also considered.

3.6 Procedures

The researcher in possession of a letter of Introduction from the Department, sought and obtained permission from the Branch Manager of Mega City branch to conduct interviews with the customer services personnel. This was on the condition that the interview will not take place in the morning or during very busy days such as the last days of the month. An agreement was eventually reached and the interviews conducted. Although the interviewee was responsive, she carefully chose her words. Notwithstanding, the Branch Manager was so helpful, kind and patient with the researcher. The branch at the Mafikeng Mall branch, on the other hand, was often very busy, with several customers waiting to be attended to. It was not until the third attempt that the researcher could interview the head of the customer service department of the branch. The interviewee responded to all the questions, opened up, was trustworthy and helpful, precise and concise.

Equipped with copies of the questionnaire, the researcher personally went to the branches and administered the questionnaire to customers who were willing to participate in the study. This was done with the permission of the branch manager. The researcher and her assistant had to explain to sceptical customers that the study was not from the bank but an academic one. Similarly, the research assistant had to assist a few of the willing respondents to translate the questions into Setswana for them to participate in the study. Thereafter, the researcher issued out questionnaires students and members of staff of the North-West University, Mafikeng Campus, who were willing to participate in the study.

3.7 Data analysis

In order for the information collected in the field to make meaning, the quantitative data elicited from respondents were coded in line with the objectives of the study and the research questions. Data were then entered into a computer and analysed using the Statistical Package for the Social Scientists (SPSS) software. The percentage of respondents who participated in the study according to variables such as sex, age, use of Internet-related banking services of FNB, types and nature of complaints, perceptions of FNB customers on the treatment of their complaints and satisfaction/dissatisfaction with the customer service management strategies and procedures were then computed and presented using frequency distribution tables.

Adopting Kumar's (2014:297-298) suggestion that qualitative information should first go through the content analysis process, whereby the main themes are identified from respondents' answers to questions, the researcher, after transcribing and editing the interviews, read through the data collected several times, identified and grouped the main themes into categories and presented them in readable format.

3.8 Summary of chapter

The research methods and the research design used in conducting this study have been presented in this chapter. The qualitative and quantitative approaches were explained and their differences provided. Data collection procedures, sampling and data analysis were also discussed. The next chapter presents the findings and analysis of data collected.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

Banking is first and foremost about the safety of customers' deposits. Customers must trust the banks with their hard-earned deposits and be rest assured that their deposit is available when needed. The Internet has come to impact upon every aspect of life, modern banking and commerce inclusive. Today, from the comfort of our living rooms, or when we are in transit, with the aid of any Internet enabled communication appliance, we can send and receive money from any corner of the globe. As beautiful as this technology is, it has also come with some challenges. In recent times, a number of Internet-related banking frauds and scams have been reported. As of today, there seems to be no end to the scourge, even though banks are doing everything to ensure that customers continue to trust and entrust them with their deposits.

Based on the above, the researcher sought to evaluate the level of customer satisfaction with Internet-related banking services of FNB and to also examine the customer service management strategies of FNB in terms of dealing with Internet-related banking service complaints of customers. In order to achieve the set objectives, the following research questions were asked:

4.2 Re-statement of research questions

(a) What is the level of usage of Internet-related banking services of FNB by its customers?

(b) What are the types and nature of complaints of FNB customers in relation to Internet-related banking services?

(c) How are Internet-related banking services complaints made, received and managed by the customer service unit of FNB? and

(d) How do customers of FNB perceive the complaint channels and treatment of their complaints?

4.3 Qualitative data

Qualitative data collected from two customer service management personnel of FNB guided the researcher in understanding customer services management strategies, approaches and reactions to Internet-related banking service complaints of FNB customers how the complaints are received and managed by the customer service unit of FNB, the attitude of the bank towards the complaints and challenges faced by the customer service management personnel of the bank. More importantly, data collected through interviews were useful in designing the instrument used in conducting the survey. Thematic analysis of qualitative data revealed the following:

a) Customers of FNB experience some challenges with Internet-related banking services of the bank;

b) Many FNB customers lodge complaints in respect of Internet-related banking services rendered by the bank;

c) Many FNB customers complained about the long queues and attendant delays; the customer service personnel are usually slow; and there are insufficient customer service personnel in the branches to attend to customer complaints;

d) Some FNB customers complained of unauthorised withdrawals from their accounts; about ATM dispensing machines retaining their cards; and that some ATM deposit machines do reject their bank notes;

e) Some customers also complained about the delays experienced in online transfer of funds. They complained of the delay and the stress of downloading the FNB application on their phones or computer;

f) The customer service management staff are well-trained to deal with all complaints of customers;

g) There are laid down procedures and channels through which customers' complaints must pass through;

h) Though the bank is willing to assist and resolve every customer's complaint, not every complaint is resolved in favour of the customer. As such, some customers leave dissatisfied; and

i) Most customers are impatient to go through the procedure and waiting period.

4.4 Quantitative data

Below is the analysis and interpretation of the quantitative data collected through the use of a questionnaire.

Table8.1: Distribution of respondents according to age group

Age	Frequency	Percentage
18-30 years	50	50.0
31-43 years	33	33.0
44-56 years	14	14.0
57-69 years	3	3.0
Total	**100**	**100**

Table8.2: Distribution of respondents according to gender

Sex	Frequency	Percentage
Male	56	56.0
Female	44	44.0
Total	100	100

Table8.3: Distribution of respondents according to nationality

Nationality	Frequency	Percentage
South African	70	70.0
Other	30	30.0
Total	**100**	**100**

Table8.4: Distribution of respondents according to occupation

Occupation	Frequency	Percentage
Civil/public servant	18	18.0
Professional	21	21.0
Self-employed	6	6.0
Student	45	45.0
Trader	5	5.0
Others	4	4.0
Nil	1	1.0
Total	**100**	**100**

Table8.5: Distribution of respondents according to level of education

Education	Frequency	Percentage
Post-tertiary	26	26.0
Tertiary	43	43.0
Secondary	25	25.0
Technical/Vocational	6	6.0

Total	**100**	**100**

Table 4.1 above shows the distribution of respondents according to age group. The results reveal that 50 (50.0%) of respondents were aged between 18 and 30 years, 33 (33.0%) were between 31 and 43 years, 14 (14.0%) were between 44 and 56 years, while 3 (3.0%) were between 57 and 69 years old. This is an indication that majority of respondents who participated in the study (83%) were between 18 and 43 years of age. This may not be unconnected to the location of data collection. Mafikeng, being a university town, is made up essentially of students and the working class. Table 4.2 shows that more males responded to the survey than females. 56 (56.0%) of respondents were males while 44 (44.0%) were females. However, this does not suggest any gender disparity in banking or Internet-related banking service complaints. Majority of respondents were South Africans (70.0%) while non-South African constituted only 30% of the total sample size (See Table 4.3).

Table 4.4 shows that 18 (18.0%) of the respondents were civil/public servants, 21(21.0%) were professionals, 6 (6.0%) were self-employed, 45 (45.0%) were students, five (5.0%) were traders, four (4.0%) were into other occupations and one (1.0%) did not indicate the occupation. This Table is consistent with the results in Table 4.1(students, professionals and civil/public servants, in this order, constitute the largest occupational groups in the study area). Table 4.5 shows the distribution of respondents according to level of education. The result shows that 26 (26.0%) of respondents had post-tertiary level of education, 43 (43.0%) had tertiary level of education, 25 (25.0%) had secondary level education, while six (6.0%) had technical/vocational level of education. By implication, majority of respondents were educated and literate enough to understand and respond to the survey.

Table8.6: Do you have a Bank account with FNB?

Parameter	Frequency	Percentage
Yes	100	100.0
No	-	-
Total	**100**	**100**

Table8.7: What type of Bank account do you have with FNB?

Parameter	Frequency	Percentage
Current	19	19.0
Savings	47	47.0
Both	28	28.0
Others	6	6.0
Total	**100**	**100**

Table8.8: Are any of your bank accounts linked to the Internet?

Parameter	Frequency	Percentage
Yes	79	79.0
No	19	17.0
Cannot say	4	4.0
Total	**100**	**100**

Table 8.9: Type of Internet-related banking services used by respondents

Parameter	Frequency	Percentage
Automatic Teller Machine (ATM)	39	39.0
Online banking	18	18.0
Cell phone banking	24	24.0
Multiple (more than one)	17	17.0
None	19	19.0
Total	**100**	**100**

Table 4.6 shows that all respondents have a bank account with FNB. The 100 percent positive response rate is attributed to the purposive sampling technique adopted for the study (only those who had an account with FNB were surveyed). Table 4.7 indicates that majority of respondents operate a savings accounts as indicated by the 47(47.0%) of respondents. 19(19.0%) have current accounts, 28(28.0%) run both current and savings accounts, while 66.0%) run some other types of accounts not listed in the data collection instrument. Table 4.8 shows that 79 (79.0%) of respondents have bank accounts with FNB that are linked to the Internet, 19 (19.0%) do not have accounts linked to the Internet with FNB, while 4 (4.0%) respondents were not sure.

Table 4.9 presents the distribution of respondents in relation to the type of Internet-related banking services they use. The result shows that 39 (39.0%) use ATM, 24 (24.0%) use cell phone banking, 18 (18.0%) do online banking, 17 (17.0%) use a combination of more than one of Internet-related banking services, while 19 (19.0%) do not use any of the Internet-related banking services of FNB. With 81.0% of respondents using one or a combination of more than one of the listed Internet-related banking services, it is clear that FNB customers do not only subscribe to Internet-related banking services, they also use them.

Table 8.10: Have you ever experienced any challenge/problem with any FNB Internet-related banking services?

Parameter	**Frequency**	**Percentage**
Yes	33	33.0
No	48	48.0
Cannot say	19	19.0
Total	**100**	**100**

The results presented in Table 4.10 above show that 33(33.0%) of respondents had, at one time or the other experienced one challenge/problem with Internet-related banking services of

FNB, 48 (48.0%) indicated they have never experienced any challenge/problem with any of FNB's Internet-related banking services, while 19 (19.0%) did not respond to this item. Banks are supposed to be safe havens for depositors' funds, and customers' trust is equally fundamental for the banking industry to thrive. Thus, for 33% of respondents to have had challenges/problems with the bank's Internet banking service is alarming. This is an average of one in every three customers.

Table 8.11: Challenges/problems experienced by Internet-related banking services customers of FNB

Parameter	Frequency	Percentage
ATM	19	19.0
Online banking	5	5.0
Cell phone banking	5	5.0
ATM deposit	2	5.0
Transfer of funds	2	2.0
Nil	67	67.0
Total	**100**	**100**

Table 4.11 indicates that 19(19.0%) of respondents had experienced a challenge/problem with the ATM, 5 (5.0%) with online banking, 5 (5.0%) with cell phone banking, 2 (2.0%) apiece for ATM deposit and transfer of funds. The remaining 67 (67.0%) never had, or could not remember having had any issue with Internet-related banking services of FNB. Many of complaints raised by respondents were related to the use of the ATM. For instance, five respondents claimed that while they had their ATM card with them, they received multiple withdrawal alerts from their accounts, only to be told later at the bank that transactions were carried out using their card in far-away countries. Another group of respondents also indicated that their ATM card got stuck in the machine, and while struggling to eject the card, multiple withdrawal alerts were instantly being received on their phones. The complaint

about ATM deposit is that the machine selects currency notes, making it difficult for them to send the exact amount they originally intended to send. For online and cell phone banking, most of the complaints were related to bad Internet network and delays in the transaction time.

Table 8.12: Have you ever made a formal complaint in relation to any FNB Internet-related banking services?

Parameter	Frequency	Percentage
Yes	31	31.0
No	59	59.0
Cannot say	10	10.0
Total	**100**	**100**

Of the 33 (33.0%) respondents who indicated that they have experienced one challenge/problem or the other with FNB Internet-related banking services, only 31 (31.0%) of them have ever made a formal complaint to the bank. This is an indication that two (2) of the 33 respondents who have had issues with FNB's IRBS, never lodged any complaints.

Table 8.13: Medium through which formal complaints of FNB's Internet-related banking services were made

Parameter	Frequency	Percentage
Phone call	6	6.0
E-mail message	16	16.0
Visit to the bank	22	22.0
Nil	69	69.0
Total	**113**	**100**

Table 4.13 shows that 6 (6.0%) of the respondents lodged their complaints through phone calls, 16(16.0%) by e-mail messages, 22(22.0%) visited the bank, while69 (69.0%) indicated nil. It is obvious from the above that some of the respondents lodged their complaints through

more than one channel. Many who had initially made phone calls, or sent e-mail messages, might have also visited the bank in person to lodge their complaints.

Table 8.14: Did you get a prompt response to your complaint?

Parameter	Frequency	Percentage
Yes	18	18.0
No	13	13.0
Nil	69	69.0
Total	**100**	**100**

Table 8.15: Were you satisfied with the way your complaint was treated?

Parameter	Frequency	Percentage
Yes	16	16.0
No	12	12.0
Not sure	3	3.0
Nil	69	69.0
Total	**100**	**100.0**

Responses from Table 4.14 indicate that of the 31 respondents who made complaints, 18 (18.0%) got prompt responses to their complaint, while 13(41.4%) did not get a prompt response to their complaints. Similarly, Table 4.15 shows that 16 of the 31 respondents who lodged a complaint were satisfied with the manner in which their complaints were treated, 12 (12.0%) of the respondents were not satisfied, while 3 (3.0%) were not sure. The remaining 69 (69.0%) represent respondents who have never had any problem/challenge with FNB Internet-related banking services or have never made any complaint.

Table 8.16: How would you describe the attitude of the bank staff who attended to your complaint?

Parameter	Frequency	Percentage
Friendly	15	15.0
Helpful	16	16.0
Considerate	8	8.0
Bureaucratic	8	8.0
Nonchalant	5	5.0
Unhelpful	6	6.0
Nil	69	69.0
Total	**100**	**100.0**

Table 4.16 above presents how respondents perceive the attitude of the staff that attended to their complaints. A total of 39 (39.0%) respondents consider the staff that attended to their problems/challenges as 'friendly', 'helpful' and 'considerate'. On the other hand, 19 (19.0%) respondents consider the staff that attended to their problems/challenges as 'bureaucratic', 'nonchalant' and 'unhelpful', while 69 (69.0%) gave no response. It should be noted that some respondents gave multiple responses. Those who have never experienced any problem/challenge with FNB's Internet-related banking services gave no response.

The Table above confirms Goodwin &Ross' (1990) opinion that the manner in which organisations care about customers' complaints, affects their choice of a banking institution. This is an indication that each time customers make their choices, it is not only on the level of service provided at the time of sale but also on their perception of the level of customer satisfaction they could expect and receive whenever a complaint arises.

Table 8.17: Extent to which respondents agree with the suggested attitudes of the personnel of the customer service of FNB to consumers' complaints

Services	Strongly agree		Agree		Neutral		Disagree		Strongly disagree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
The staff of the customer service of FNB are willing to listen and assist customers with complaints	31	31.0	36	36.0	24	24.0	4	4.0	5	5.0
The level of knowledge of Internet – related banking services of the staff of the customers service of FNB is high	21	21.0	35	35.0	34	34.0	5	5.0	5	5.0
The staff of the customer service of FNB respond to customers' complaints promptly	22	22.0	27	27.0	30	30.0	15	15.0	6	6.0
FNB consciously strives to solve customers' complaints	18	18.0	29	29.0	33	33.0	13	13.0	7	7.0
The staff of the customer service of FNB treat customers with respect and courtesy	34	34.0	28	28.0	28	28.0	4	4.0	6	6.0
FNB Internet-related banking services are quite satisfactory	19	19.0	26	26.0	34	34.0	15	15.0	6	6.0
The procedure for complaints is quite tedious	12	12.0	11	11.0	61	61.0	13	13.0	3	3.0
After registering complaints, you are never sure whether your	19	19.0	10	10.0	43	43.0	27	17.0	11	11.0

complaint is being attended to										

Table 4.17 presents the extent to which respondents agree with the suggested attitudes of the staff of the customer service of FNB to consumers' complaints. 67 (67.0%) respondents 'strongly agree' and 'agree' with the statement that the staff of the customer service of FNB are willing to listen and assist customers with complaints, 24 (24.0%) were neutral, while 9 (9.0%) provided a negative response. With regard to the level of knowledge of Internet-related banking services by the staff of the customer service of FNB, 56 (56.0%) gave a positive (strongly agree and agree) response, 10 (10.0%) provided a negative response, while 34 (34.0%) were neutral. Similarly, 49 (49.0%) strongly agreed and agreed that the customer service staff of the FNB respond to customers' complaints promptly, 30 (30.0%) were neutral, while 21 (21.0%) provided a negative response. 47 (47.0%) of respondents strongly agreed and agreed that FNB staff consciously strive to solve customers' complaints, 33 (33.0%) were neutral and 20 (20.0%) strongly disagreed and disagreed with this assertion. When asked if the staff of the customer service of FNB treat customers with respect and courtesy, 62 (62.0%) strongly agreed and agreed, 10 (10.0%) strongly disagreed and disagreed, while 28 (28.0%) stayed neutral.

In response to the statement that Internet-related banking services of the FNB are quite satisfactory, 45 (45.0%) responded in the affirmative, 21 (21.0%) provided a negative response, while 34 (34.0%) were neutral. In responding to the procedure for complaints, many indicated that it is quite tedious, 23 (23.0%) strongly agreed and agreed, 16 (16.0%) strongly disagreed and disagreed, while 61 (61.0%) gave a neutral response. 29 (29.0%) strongly agreed and agreed that after registering complaints, customers are never sure whether their complaints were being attended to, 43 (43.0%) were neutral, while 28 (28.0%) strongly disagreed and disagreed.

4.5 Summary of findings

Below is the summary of findings of this study as derived from the interviews with two customer service personnel of FNB (Mega-City and Mafikeng Mall branches) and the survey of customers of FNB.

- Of the 100 respondents sampled for this study, 83% were students, professionals and public servants. They are between the ages of 18 and 43 years with 69% of them having tertiary and post-tertiary education. The age group (percentage) and high level of education may not be unconnected to the location of the study. Data for this study was collected in and around FNB (Mega-City and Mafikeng Mall branches), both located in Mafikeng, the town that also hosts a campus of the North-West University, South Africa.
- All respondents of the quantitative study had and operate a bank account with FNB. A substantial majority of these respondents operate one or more Internet-linked bank account(s) with FNB. Of all the Internet-related banking services available at FNB, Automated Teller Machine (ATM) is the most commonly used. Customers use the ATM largely for cash withdrawals and Point of Sales (POS) transactions. Some respondents use the ATM as deposit machines. Apart from the ATM, cell phone and online banking are the other Internet-related banking services used by customers. The rate of use of cell phone and online banking is, however, relatively low compared to the ATM.
- 33% of respondents indicated that they had, at one point or the other, experienced one challenge/problem or the other with Internet-related banking services of the FNB. Virtually, all of them had registered their complaints with the bank.
- Most Internet-related banking service complaints from FNB customers are related to ATM transactions. These complaints revolve round unauthorised transactions on

customers' accounts, such as cash withdrawals, transfer of funds and commercial transactions, some taking place in faraway countries, particularly China.

- Customers' complaints with regard to cell phone and online banking are marginal. These complaints are largely related to the network (Telkom provider and Internet) problems.
- There is evidence to show that FNB has defined and publicised channels through which customers could lodge complaints, seek information and support. These channels are: call 0875750000; for technical assistance; email for complaints resolution is care@fnb.co.za; and for general complaints and information is info@fnb.co.za and direct physical visit to any branch of the bank.
- Many who have had challenges/problems with their Internet-related bank accounts, confirm that they initially called or sent an email to the dedicated channels, but later made a physical (personal) visit to the bank to complete and sign some forms.
- 52% of those who lodged complaints were satisfied with the manner in which their complaints were treated. The remaining 48% were not satisfied.
- Majority of respondents who participated in this study consider FNB customer service management personnel as 'friendly' 'helpful' and 'considerate'. A few, however, perceive the customer service management personnel to be 'bureaucratic', 'nonchalant and 'unhelpful'.This is an indication that though they registered their complaints, the customer service personnel did not appear to be sufficiently skilled. The customers consider filling forms without satisfactory solutions to their complaints as frustrating.

4.6 Discussion

This study reinforces the 2015 Rogers Bank Ombudsman's annual report and concerns of the South African Reserve Bank that banking complaints and other related issues are on the increase and that many of the reported cases of fraud are associated with electronic payment systems linked to Internet banking (Business Tech, 2016). Many who reported to have experienced problems/challenges with Internet-related banking services of FNB, have issues with the ATM and illegal and unauthorised transfer of funds and transactions on their accounts. A case in point was that of a foreign Post-Graduate student of the North-West University, who was on holidays in his home country only to discover through email alerts that transactions were made on his account through the ATM card he had with him in Nigeria, in faraway China. Some respondents indicated that upon inserting their ATM card in some ATM machines, could simply not withdraw cash or their cards, surprising enough, there and then, alerts of withdrawals received on the mobile line.

Although this study did not focus on customer expectancy, it is a pardonable assumption, however, that banks are expected to be safe havens for customers' deposits. The introduction of Internet-related banking services was, among others, to reduce customers' banking stress and transaction time, and also to give the customers more control over their deposits and transactions. The decision of customers to bank and, even the choice of FNB, are based on some expectations from the customer. If and when this expectation(s) is/are met from the point of view of the customer, the customer is satisfied. On the other hand, if and when the expectation(s) is/are not met, the customer is dissatisfied (see, Hoffman *et al.*, 2005:184).

With a substantial majority of respondents operating one or more Internet-related bank account(s) with FNB, and two thirds of these claiming not to have had any negative experience with the services, if aggregated, could suggest that many consider the services as meeting their expectations and, therefore, satisfied with the Internet-related services of FNB. The basic concern, however, is that out of the one third who have had a problem/challenge with FNB's Internet-related banking service and lodged a complaint, almost half (48%) of them feel dissatisfied not with the service *per se*, but with the manner in which their complaint was handled. Organisations must note that, focusing attention only on improving product or service performance at the expense of 'consumers' expectations', is counter-productive, since customer satisfaction consistently impacts on the decision of future purchase (Mile, 2009: 9).

The researcher believes it is practically impossible to meet the expectations of every customer. Organisations, particularly service-oriented ones, must continually strive to improve their customer service management. In line with the suggestion by Fernell and Hartline (2011:375), banks should consciously seek out dissatisfied customers and give serious consideration to their opinions and feedback in order to enhance their customer service management. Customers' feedback provides organisations with detailed information about how it is perceived by the public. It also accords customers the chance to voice objections, suggest change or endorse existing processes.

Keeping customers fully satisfied is very important to the organisation. Hence, organisations must put processes in place to understand what their target and potential customers require to remain fully satisfied (Schieffer, 2005:191).The first step is to gain agreement and commitment of management to a continuous process of customer satisfaction measurement. According to Schieffer (2005), this race is without a finish line and there are no quick fixes. Keeping customers fully satisfied is a continuous improvement process and metrics need to be in place to understand if the process is moving in the right direction.

4.7 Summary of chapter

Data collected through the interviews with members of staff of the customer service department, as well as the quantitative data collected through questionnaires were analysed. The chapter has presented the findings and interpretation of data collected. The next chapter presents the conclusions from the study and gives recommendations for further research.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This study set out to evaluate the level of customer satisfaction with Internet-related banking services of FNB and also to examine the customer service management strategies of FNB in terms of dealing with customer complaints. To achieve these aims, two members of staff of the customer service management Unit of FNB (Mega-City and Mafikeng Mall branches) were interviewed and 100 members of the public who have and operate bank accounts with FNB were purposively selected and surveyed. After analysing the data, it could be concluded that the Internet has changed banking forever, despite the customer issues which have been addressed in this study. The study revealed that the world has become a global village.

Internet and Information and Communication Technology (ICT) have revolutionised human lives; from education to health, military, entertainment, governance and commerce, the Internet dictates the pace. Banking is today made easy, from the comfort of the customers' living room, while walking down the lawn or even while in transit, anywhere and at any time (provided there is Internet connection), customers can receive and transfer funds, make purchases and pay bills. FNB provides a variety of Internet-related banking services. Customers could use Credit or Debit cards for withdrawals at any ATM point, make purchases and pay bills. FNB customers are also encouraged to take advantage of online and telephone banking. These banking services allow customers to check their account balance, increase or reduce their daily withdrawal limits and make transfers and payments.

With 79% of respondents indicating that they use FNB's Internet-related banking services, the level of usage of these Internet-related banking services is significantly high. One can only imagine how rowdy the banking halls would be, and how long customers would have had to stay in the bank today without Internet-related (do-it-yourself) banking services.

Despite the numerous advantages of Internet-related banking services provided by FNB, customers do experience and complain of some challenges with some of the services offered. ATM presents the biggest challenge to customers; followed by online and telephone banking. Some respondents complained of ATM machines retaining their cards, some also indicated that funds were removed from their accounts without their authorisation and knowledge even when they had their ATM cards on them. Some customers suggested that some ATM machines might have been compromised in order to read vital information on their cards, and this is thereafter, used to defraud them. Another ATM-related complaint is the fact that most ATM deposit machines select currency notes, making some customers default in their payment obligations to others. Customers also complained about online and telephone banking in transactions basically related to delays in transfer of funds. This is blamed on poor Internet and Telkom service connections.

FNB has a number of platforms through which customers could lodge their complaints, seek information and assistance. Customers could call dedicated help-lines, send e-mails, visit the Bank's website, or directly visit the customer service desk in any of the banking halls. When complaints are made through any of these channels, the complaint is registered and forwarded to the appropriate unit. The unit investigates and communicates findings and solutions to the complainant. Regarding the type of the complaint, customer care personnel could request the complainant to give them some days to investigate and get back to the customer. Customer service managers claimed they were adequately trained and always willing to resolve every complaint in favour of the customer, provided there is enough evidence to show that the customer did not compromise his or her account by him/herself.

52% of the 31 respondents who lodged their complaints were satisfied with the procedure, channel and treatment of their complaints. Apparently, these were customers whose complaints were resolved in their favour. This group of customers also consider the customer service personnel as 'friendly', 'helpful' and 'considerate'. The remaining 48% who were dissatisfied, are likely to be those whose complaints were not resolved in their favour and those who did not bother to lodge a complaint in the first place. For these groups of customers, the customer service personnel are considered to be 'bureaucratic', 'nonchalant' and 'unhelpful'. A number of respondents also consider the procedure for lodging complaints quite tedious.

The disconfirmation theory specifies that the post usage experience of the product or service is compared and evaluated with the standard model pre-conceived by customers. In agreement with Oliver (1980), customers' perception of a firm's performance is an evaluation of customers' expectations against their experience. According to Oliver (1980), the possible results are confirmation, satisfaction, or dissatisfaction. For FNB customers, the bank is naturally expected to be a safe haven for customers' funds; if and when unforeseen incidents occur, they expect that the FNB would come to the rescue of its customers. Customers who had lodged complaints and their complaints were promptly addressed and resolved, would naturally be satisfied with Internet-related banking services of the bank and its customer service management approach and personnel. However, for those who did not lodge any complaint or perhaps, their complaints were not resolved in their favour, would naturally be dissatisfied with services of the FNB. This category of customers did not only seek alternatives, but did not also speak positively of FNB and its services.

By and large, with 67% of FNB customers sampled, indicating that they have never experienced any problem with their Internet-related banking services, and 52% of the remaining 33% who lodged complaints satisfied with how their complaints were resolved, it is concluded in this study that FNB has demonstrably succeeded in providing satisfactory Internet Banking facilities and services to its clients. However, if Kotler's (1991) observation that customer satisfaction is fast becoming a means of evaluating quality and that high customer satisfaction rating are the best indicator of future profitability of a company, it is predicted that the FNB must be doing well. This notwithstanding, the bank must always remember that banking is built on trust. Hence, FNB and its management must continually strive to meet every customer's expectation and keep them happy.

5.2 Recommendations

FNB still needs to do more in the area of customer enlightenment, particularly on the need to protect their ATM cards and their personal identification number (PIN). The bank must continuously upgrade its security facility to check the activities of scammers and hackers. The bank must also monitor its employees, as some customers believe that some of the scams must have been facilitated by an insider. FNB must actively look for ways to simplify the complaint procedure such that customers do not assume that this is deliberate to discourage customers from lodging complaints. FNB must intensify the training of its employees, particularly the customer service personnel, to meet the expectations of their customers.

Customers must avoid displaying their ATM cards or give the card to another person to make withdrawals on their behalf. Customers must be vigilant when using ATMs and point of sales (POS) terminals. Customers could also request the bank to assist them, by reporting suspicious banking activities to the necessary authorities. Customers who experience any problem or challenge with any of the bank services, should endeavour to lodge complaints and follow-up their complaints.

The use of customer satisfaction by firms as a criterion for diagnosing the performance of a product or service and the rating of employee compensation is on the increase as observed by Kotler (1991:19). The researcher suspects that FNB uses customer satisfaction ratings in determining compensation for its employees. This is evident from the SMSs and emails received by some customers requesting them to rate the bank personnel that attended to them. This is commendable and encouraged, not only for the purposes of compensation of employees, but also to evaluate customers' perceptions of the bank, its services and the performance of its staff. FNB is, therefore, advised to do more in this area. Customers' feedback should also be treated promptly and customers adequately informed of the bank's response to their complaints, observations and queries.

FNB should also consider customer relations forums where some of these issues are raised, addressed and customers appropriately advised on ways to protect their accounts. This would not only bridge the gap between the bank and a few of its customers, but would equally serve as a relationship building and information sharing forum.

5.3 Recommendations for further study

Customer satisfaction is among the fastest growing and important sector in marketing research and there is need to conduct more research in the sector. The study sought to evaluate new perspectives of customer satisfaction and customer service management in the South-African banking sector as well as strategies used by the First National Bank (FNB) to manage and treat customers 'complaints. As more and more customers adopt the Internet for their banking transactions, it becomes important for management of banks to be innovative in their approach to meeting customers' requirement.

This study demonstrated, through interviews conducted with the heads of the customer service Unit, how FNB treats and manages its customers 'complaints and through questionnaires, how customers perceive the management of their complaints. The SERQUAL Model explains clearly the gap between what customers expect and what they perceive: "management does not know what customers expect; management is not willing or able to put systems in place to match or exceed customer expectations, the service-performance gap, when employees are unable and/or unwilling to perform the service at the desired level and when promises do not match delivery" (Zeithaml *et al.*, 1990 cited inMill, 2011:10).

After reviewing the literature that provides responses to research questions, the conclusion is that the customer service department of FNB does not meet together the expectations of customers, strategies used do not satisfy customers and, therefore, customers will continue to express the same complaints in the future.

However, the findings of this study could be used and developed by other researchers and practitioners. The research did not explore all aspects in this area. Further research needs to be conducted in this area for further understanding of the literature.

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LIST OF APPENDICES

APPENDIX A

CONSENT LETTER

INTRODUCTION

Dear sir/madam,

My name is Ntandunzadi Nkumba Monique, a student at the above-mentioned institution. I am conducting a study on the topic "Customer services management and customer satisfaction: a study of Internet-related banking services of FNB" and I would like to ask you a few questions. Please note that the information obtained through this interview will only be used for academic purposes.

APPENDIX B

QUESTIONNAIRE

NORTH-WEST UNIVERSITY, MAFIKENG CAMPUS, SOUTH AFRICA

FACULTY OF HUMANITIES
DEPARTMENT OF COMMUNICATION
QUESTIONNAIRE

Dear sir/madam,

My name is Ntandunzadi Nkumba Monique, a student at the above-mentioned institution. I am conducting a study on the topic "Customer services management and customer satisfaction: a study of Internet-related banking services of FNB" and I would like to ask you a few questions. Please note that the information obtained through this instrument will only be used for academic purposes. Your responses will equally be kept confidential. I will sincerely appreciate if you will answer the questions as completely and honestly as possible.

Thank you for your cooperation.

Section A

1. Age of respondent: a. 18 – 30yrs ☐ b. 31–43yrs ☐ c. 44 – 56yrs ☐ d. 57 – 69yrs ☐ e. 70 and above ☐
2. Sex: a. Male ☐ b. Female ☐
3. Nationality: a. South African ☐ b. Others (Specify)..................
4. Occupation: a. Civil/public servant ☐ b. Professional ☐ c. Self employed ☐ d. Student ☐ e. Artisan ☐ f. Trader ☐ g. Others (Specify).......................
5. Level of educational: What is your highest level of education?
   a. Post-tertiary ☐ b. Tertiary ☐ c. Secondary ☐ d. Primary ☐
   e. Technical/Vocational training ☐ f. Never went to school ☐

Section B

6. Do you have a bank account with FNB? a. Yes ☐ b. No ☐
7. What type of bank account do you have with FNB? a. Current ☐ b. Savings ☐ c. Both (current and savings) ☐ d. Others (specify)..................
8. Are any of your bank accounts linked to the Internet? a. Yes ☐ b. No ☐ c. Cannot say ☐
9. If the answer to question 8 above is yes, how often do you use Internet-related banking services of FNB? a. Very often ☐ b. Often ☐ c. rarely ☐ d. Never ☐
10. Please tick the FNB Internet-related banking services that you use.
    a. Automatic Teller Machine (ATM) ☐
    b. Online Banking ☐
    c. Cell phone Banking ☐
    d. Transfer of funds ☐
    e. ATM deposits ☐
11. Please rate the following FNB Internet-related banking services

Services	Excellent	Good	Neutral	Bad	Very bad
Automatic Teller Machine (ATM)					
Online Banking					
Cell phone Banking					
ATM Deposit					
Transfer of funds					

12. Have you ever experienced any challenge/issue/problem with any of the FNB Internet-related banking services? a. Yes ☐ b. No ☐ c. Cannot say ☐
13. If yes, please state the challenge/issue/problem you have ever experienced.
    i. ....
    ii. ....
14. Have you ever made a formal complaint in relation to any FNB Internet-related banking service? a. Yes ☐ b. No ☐ c. Cannot remember ☐
15. Through which medium was the complaint made? a. Phone call ☐ b. Email message ☐c. Personal visit to the bank ☐ d. Others (Specify) ....
16. Did you get a prompt response to your complaint? a. Yes ☐ b. No ☐ c. Not sure ☐
17. Were you satisfied with the way your complaint was treated? a. Yes ☐ b. No ☐ c. Not sure ☐
18. How would you describe the attitude of the bank staff that attended to your complaint?
    a. Friendly ☐
    b. Helpful ☐
    c. Considerate ☐
    d. Bureaucratic ☐
    e. Nonchalant☐
    f. Unhelpful ☐
19. To what extent do you agree or disagree with the following statements in relation to the attitude of members of staff of the customer service Unit of FNB to customer complaints?

No	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Members of staff of the customer service unit of FNB are willing to listen and assist customers with complaints.					
2	The level of knowledge of members of staff in terms of Internet – related banking services is high.					
3	Members of staff of the customer service unit respond to customers' complaints promptly.					
4	FNB consciously strives to solve customers' complaints.					
5	Members of staff of the customer service unit of FNB treat customers with respect and courtesy.					
6	Internet-related banking services of FNB are quite satisfactory.					

7	The procedure for complaints is quite tedious					
8	After registering complaints, you are never sure whether your complaint is been attended to or not.					

APPENDIX C

INTERVIEW GUIDE

1. Please introduce yourself just for record purposes:
2. How long have you been working in the Customer Service Unit/Department of FNB?
3. What training do you have in the area of customer service/care or customer relations?
4. Do you get to receive complaints from your customers? If yes, how often do you receive such complaints?
5. What are the nature of the complaints?
6. Which complaint is often reported?
7. What procedures do customers have to follow in reporting complaints?
8. For Internet-related banking services, which complaints feature more prominently?
9. Would you say that customers are usually satisfied with your response to their complaints?
10. What strategies does the bank have in place to prevent complaints?
11. If you are to rate FNB and your office efforts in dealing with customers' Internet-related banking service complaints, what will you score them over 100 percent?
12. Would you say all your customers leave the banking hall satisfied that their complaints have been adequately and courteously treated?
13. What are the challenges faced by your office in dealing with customers' Internet-related banking services?
14. Will you say you have been adequately trained to function properly in the customer service department?

Thank you very much for your time and assistance.

APPENDIX D

INTERVIEW RESPONSE A

Interview with the Head of Department: Customer Services (First National Bank, Mafikeng Mall Branch)

1. My name is Tshego Makhele
2. I have 6 years of experience as a customer service personnel
3. Yes, we do attend training before we can start working as FNB customer service personnel.
4. Yes, we receive complaints from our customers, and every day.
5. Customers usually complain about the queues, consultants are slow and not enough personnel of customer services to assist them during busy days, they complain about the services offered, about ATMs and bank charges.
6. The complaints which are often reported are about:

- ATMs: some ATMs swallow their cards, some do not have enough cash, and some reject their bank notes while they are making cash deposits.
- Long queues and consultants being slow to assist during busy days.

7. The procedures to follow depend on the natures of the complaints. In some cases, customers have to fill some forms and wait after (2-5 working days) to be served. But normally, customers have to call the bank, to e-mail or go to the nearest branch to report their complaints.
8. For Internet-related banking services, the complaints which are often reported are about ATMs (which reject bank notes for cash deposits, swallow cards).
9. No, not always. As I said, it depends on the nature of complaints reported. If they have to fill and follow a lot of procedures, they are not satisfied at all and leave the banking hall dissatisfied. But the bank tries to always do a follow-up by calling customers who are not satisfied to see how to assist.
10. In order to prevent customers' complaints, the bank always makes sure it provides the right products and services to its customers. The bank also leaves the customers free to make their choices; we do not force them in their choices regarding our products or services.
11. If I have to rate, I would say 100 percent.
12. Yes, we treat their complaints very seriously and address them with much care.
13. The challenges faced by our office face in dealing with customers' Internet banking services are that many customers have in mind that the services like online and cell phone banking are not enough secured. They are not feeling comfortable in using these channels. They are scared to be defrauded.
14. Yes, I am adequately trained to function as a customer service personnel.

APPENDIX E

INTERVIEW RESPONSE B

Interview with Customer Service Personnel (First National Bank, Megacity Mall Branch)

1. Ms Lebo Thabenelo
2. 5 years of experience as FNB customer service personnel
3. Yes, we are trained by FNB. All the personnel attend a service conspiracy training.
4. Yes, every day, we receive customers' complaints.
5. Customers complaint about the queue, about the transfer of funds (for a customer to receive money in his account, after transfer, it takes days and especially when it is transferred by a customer using a different bank), about the bank's procedures to solve their complaints, about the bank's devices, about ATMs and about the duration that their complaints take to be solved.
6. The complaints which are often reported are about:

- The transfer of funds: many customers, if after 2 days of transferring money into someone's account, they do not receive it, they need their money back);
-ATMs: reject bank notes when they are making cash deposits, they swallow their cards.

7. It depends on the nature of complaints reported. For example, a complaint regarding transfer of funds, in the case that a customer did not receive money transferred to him or her from another bank, and the customer wants his or her money, it requires long and lots of procedures to follow. And in other cases also, we need to report the complaints to the relevant department.
8. For Internet-related banking services, the prominent complaints are about:

- Online banking and FNB application downloaded in the cell phone: customers' complaints about the network when they are doing their transactions. And also, it requires a lot of procedures to use it.
- ATM

9. No, not always. As I said, customers complain a lot about our procedures which take time.
10. To prevent complaints, we always advise our customer to be careful when they are using the ATM and Internet banking, we always tell them not to allow strangers to assist them. We also use the OTP code to secure our online banking.
11.I will give 100percent.
12. Not always. But we do our best to respond and treat their complaints with care.
13. The challenge that our office faces in dealing with customers 'Internet banking service is that our customers are not enough and well educated to use such services. They like the services like Internet banking, online and cell phone banking but the problem is that many of them are illiterate and you have to spend much time with one customer explaining to him or her, how to use the services, how to register and when they get home, they are not able to use it by themselves, you have to repeat and explain the same thing several times and several days.
14. I am really equipped and adequately trained to function as a consultant.