

## **APOLOGY AND CUSTOMER PATRONAGE OF DEPOSIT MONEY BANKS IN SOUTH EAST OF NIGERIA**

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### **Abstract**

*This study examines the effect of apology on customer patronage of Deposit Money Banks in South East of Nigeria. The study was conducted using a quantitative survey research design. The population of this study comprised staff of 5 Deposit Money Banks across three (3) South East States of Nigeria. Using Taro Yamane's equation, a sample size of 285 respondents was used for the study. All data obtained from the respondents were analysed using descriptive statistics and inferential statistics. Test of hypotheses was done with simple linear regression model. were used to test the hypotheses. The study found that apology was a positive and significant factor affecting customer retention and customer loyalty of Deposit Money Banks in South East, Nigeria. The study thus concluded that Deposit Money Banks in South East, Nigeria use apology to improve their overall marketing performance. It was recommended that an apology should be a mandatory first step in the recovery process. The bank managers should train employees on how to deliver a sincere and empathetic apology that acknowledges the customer's frustration and the bank's role in the service failure. The apology should be delivered as soon as the failure is identified, ideally the employee who is first made aware of the problem.*

**Keywords** Apology, Service Recovery, Customer Retention, Customer Loyalty.

### **Introduction**

Despite the benefits of service recovery, the interplay between service failure and recovery is not well understood and documented (Ali *et al.*, 2021). Researchers (Abd Rashid, Ahmad & Othman, 2024) have found that good service recovery is quintessential to retaining customers through long-term relationships. Due to the importance of a proper understanding of service recovery, investigations have continued on critical areas of service management. Previous studies were conducted on the effect of justice on customer loyalty and found that service providers should pay attention to providing

fair compensation, feedback in terms of company culture (decision-making and processes), and good relationships with customers at the development stage (Gidaković & Čater, 2021). Another area of research was focused on the influence of service recovery on customer satisfaction. The results showed that service recovery dimensions have a strong positive correlation to customer satisfaction (Dushimimana, 2024). Also, studies such as McDougall and Levesque (1999) clearly stated that effective service recovery strategies such as assistance plus compensation had great impact on post recovery satisfaction. In another study by Yaya, Marimon and Casadesus (2013), it was

discovered that service recovery had a significant effect on customer satisfaction, perceived value and post recovery intention.

Deposit money banks recognize the importance of providing quality services to customers (Muhammad, Fauziah, & Othman, 2023), and to achieve that goal they need to know the customers' expectations and satisfy them by providing quality services. Oftentimes, customers receive below-par services thus leading to their dissatisfaction or utter despondence. Addressing customer complaints promptly is crucial for safeguarding a bank's reputation, regardless of associated costs or time constraints. Complaint handling is viewed as a measure of service recovery (Johnson & Miller, 2018).

The banking industry in Nigeria's economy is probably the most popular one in the financial service sector (Ibudialo, 2019). Traditionally, deposit money banks operated in relatively stable environment for decades, but today the industry is faced with increased competition from upcoming new banks and micro finance institutions (Momanyi, 2024). Customers' demand for better services has compelled banks to constantly search for knowledge that will give them distinctive competence and set them apart in the marketplace. The banking industry is on the constant look out for better ways to engage their customers and improve their relationship with them (Paul, 2024). Deposit money banks and other financial institutions are searching for ways to keep their existing customers while they gain new ones (Peppard, 2020). Hence, better service recovery strategies provide competitive advantage to the banks; therefore, it is expected that deposit money banks should ensure the best recovering service strategies when customers lay their complaints (Krishnakumar & Rashmi, 2018). Adebisi and Lawal (2017) postulated that for any service

provider, service recovery remains a critical success factor to achieve a competitive advantage.

Despite the benefits of service recovery, the interplay between service failure and recovery is not well understood and documented (Ali *et al.*, 2021). Researchers (Abd Rashid, Ahmad & Othman, 2024) have found that good service recovery is quintessential to retaining customers through long-term relationships. Due to the importance of a proper understanding of service recovery, investigations have continued on critical areas of service management. Previous studies were conducted on the effect of justice on customer loyalty and found that service providers should pay attention to providing fair compensation, feedback in terms of company culture (decision-making and processes), and good relationships with customers at the development stage (Gidaković & Čater, 2021). Another area of research was focused on the influence of service recovery on customer satisfaction. The results showed that service recovery dimensions have a strong positive correlation to customer satisfaction (Dushimimana, 2024). Also, studies such as McDougall and Levesque (1999) clearly stated that effective service recovery strategies such as assistance plus compensation had great impact on post recovery satisfaction. In another study by Yaya, Marimon and Casadesus (2013), it was discovered that service recovery had a significant effect on customer satisfaction, perceived value and post recovery intention.

This study therefore explores the effect of service recovery strategies on customer patronage in DMBs in South East, Nigeria, where research on this topic is scarce. By investigating this relationship, the study aims to provide insights for banks to develop effective service recovery strategies,

prevent service failures, and foster long-term customer relationships.

### **Objectives of the Study**

The broad objective of this study was to examine the effect of apology on customer patronage of Deposit Money Banks in South East of Nigeria. The specific aims were to:

- i. Examine the effect of apology on customer retention of Deposit Money Banks in South East of Nigeria;
- ii. Examine the effect of apology on customer loyalty of Deposit Money Banks in South East of Nigeria

### **Research Hypotheses**

The following hypotheses were formulated and tested in the study

**H<sub>01</sub>:** Apology does not have any significant effect on customer retention of Deposit Money Banks in South East of Nigeria

**H<sub>02</sub>:** There is no significant effect of apology on customer loyalty of Deposit Money Banks in South East of Nigeria

### **Review of Related Literature**

#### **Conceptual Review**

##### **Service Recovery**

Service recovery remains a contemporary concept that differentiates between a company's success and failure particularly since customers are seen as king and should be treated specially. Service recovery is an exercise embraced by an organisation for the purpose of redeeming an otherwise negative situation that resulted in service failure (Pertiwi, Lubis & Absah, 2021). Service recovery can be defined as an action embarked on by service provider who happens to be the banks in response to service failure in attempt to deliver service right at the second try (Hamer, 2006). Also, service recovery can be said to be a solution implemented to repair and restore the damage done to customers that results from

the provider's failure to deliver a service as it is designed (Johnston & Hewa, 2007). In view of this, service recovery is needed to maintain better relationship to gain their loyalty which is a post satisfaction behaviour.

In terms of service recovery, some particular action plans have to be embraced and implemented by the organizations, most especially, deposit money banks in Nigeria to ensure that the customers are reassured of the reliability of the banks immediately after break down. Service recovery is done to offset the negative reaction of customers to the service failure. Pertiwi, Lubis and Absah (2021) opined that service recovery is a well thought-out plans to regain customer's loyalty after a breakdown in order to retain them and keep them as customers for survival of the organisation. Smith, Karwan and Markland (2012) posited that service recovery is a mechanism of competitive advantage that attempts to rectify customer issues during and after the service encounter and before and after complaints.

##### **Apology**

Service failures/problems are often inevitable. It is therefore the responsibility of the service providers to take steps when something goes wrong in order to reduce the potential damages to consumers (McCole, 2004). An apology and correcting the problems are usually necessary elements of every successful service recovery (Lewis & McCann, 2004). Apology is one of the important organizational responses to complaints (Karatepe & Ekis, 2004). As cited by Karatepe and Ekis (2004) from Davidow (2000), apology refers to a psychological compensation that helps consumers to restore in equilibrium. Offering an apology to the complainants shows that the organization understands the inconveniences faced and that it is going to solve the problems

(Karatepe & Ekis, 2004). If organizations do not give any form of apology towards the problems, consumers are likely to feel dissatisfied and this may have an adverse effect on the consumer's future intentions (McCole, 2004). Boshoff and Leong (1998) demonstrated that apology as a first step to recognize the inconveniences faced by customer is significantly associated with complainant satisfaction. Karatepe and Ekis (2004) found that apology has a significant positive relationship with complainant satisfaction and loyalty.

### **Customer Patronage**

Patronage represents a unique and important concept in marketing. Consumer patronage is the endorsement or support that consumers provide to a specific brand. Patronage provides the groundwork for a market share that is both established and expanding. Customer patronage is a combination of psychological factors that influences purchase behaviour (Burnkrant, 1982); and these factors are considered important by consumers (Moye & Giddings, 2022); and used as yardsticks in determining which firm to patronize (Ogbuji *et al.*, 2016). There are various ways to establish patronage behaviour which includes, loyalty, amount of money spent, frequency of repeat purchases, number of repeated visits, degree of satisfaction, amount of time spent, and the quantity of items purchased. With respect to the current study, patronage will refer to a customer's willingness to revisit, recommend, or remain a customer of a Deposit Money Bank. The dimensions of customer patronage in this study were;

### **Customer Retention**

Customer retention is the marketing goal of keeping consumers from switching to competitors (Ramakrishnan, 2016). Mostert (2019) described customer retention as

organisations focusing on existing customers to keep doing business with them. Managers in any industry or organisation that provides services to external or internal customers should consider customer retention strategies, which involve always providing the service customers expect to reduce customer defections. A strategy or overall plan of action can be created for broad, long-term company goals, business unit goals, or functional units, even cost centres. Client retention increases income, lowers client acquisition expenses, and boosts referrals. With escalating customer acquisition expenses, firms must innovate and be proactive in maintaining customers (Nickols, 2021).

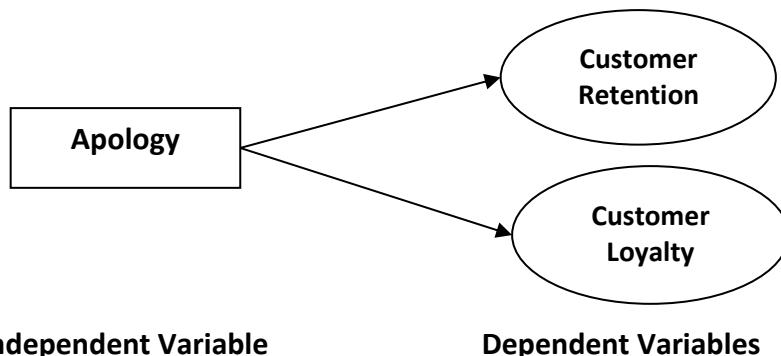
Customer Retention is the outcome of steps in which consumers compare their expectations to perceived reality, experience consequent satisfaction/dissatisfaction, and then act in a way influenced by that satisfaction or dissatisfaction (Andreasen 1976; Gilly 1979). If the result of the expectations-performance comparison process is dissatisfaction, the consumer may decide to complain, based on expectations about what the complaint will achieve (Kraft, 1977; Landon, 1977). The response of the organization to the complaint will then be evaluated in light of those expectations, resulting in a degree of satisfaction or dissatisfaction with the complaint response.

Thus, the degree of satisfaction/dissatisfaction with the complaint response combines with previous satisfaction/dissatisfaction concerning the product to produce some final consumer degree of satisfaction/dissatisfaction with the total purchase outcome. Since overall post-purchase feelings affect repurchase behaviour (Engel, Blackwell, & Kollart, 1978), some relationship can be expected between feelings about complaint response and likelihood of repurchase.

### Customer Loyalty

Customer loyalty is defined as a customer's intention or predisposition to repurchase from the same firm again (Edvardsson, Johnson, Gustafsson & Strandvik, 2000). As such, it encompasses an affective component as well as a behavioural dimension. As an affective state, loyalty represents a psychological reaction and conviction to a product or service experience. The behavioural dimension is simply a manifestation of that affective state, which is sometimes equated with customer retention. In other words, loyalty encompasses intended behaviour and whether or not the intended behaviour actually occurs (Gustafsson & Johnson, 2002). Customer satisfaction is found to be highly correlated with customer loyalty and it is considered to be the most influential indicator of customer loyalty (Bowen & Chen, 2001; Gronholdt, Martensen & Kristensen, 2000; Jones & Suh, 2000).

Research studies in the service recovery area have demonstrated that satisfactory or unsatisfactory service recovery activities may affect the complainant's intentions to repatronize to the same service provider or switch to other competitors (Kau & Loh, 2006; Blodgett, Wakefield & Barnes, 1995). Jones and Farquhar (2007) stated that complainants demonstrate higher levels of loyalty when they feel satisfied with the ways in which their service problems have been addressed. It is likely to convert the inconvenienced customers into more loyal customers if the service recovery efforts which follow the initial service failures are satisfying (Bitner, Blooms & Tetreault, 1990). Past studies have shown that there is a strong positive relationship between complainants' overall satisfaction with service recovery and complainant's loyalty (Karatepe & Ekis, 2004; Kau & Loh, 2006). Stauss (2002) also stated that complainant satisfaction is a necessary prerequisite for complainant retention.



**Fig. 1: Conceptual framework of the effect of apology on customer patronage**  
**Source: Researcher's concept (2025)**

### Theoretical Review

The following theories relate to the research topic and the objectives set forth within the study.

#### Perceived Justice Theory

Service researchers have turned to theories of organizational justice to explain

customers' reactions to service recovery (Tissot, 2003). Justice perceptions are the individual subjective assessments of organizational responses. The subjective evaluation of the response of the complainant is crucial because perceptions are the subjective, often biased,

interpretation of reality that account for individual behaviour (Gelbrich & Roschk, 2010). Blodgett and Anderson, (1994) contend that prior research demonstrates that the behaviour of complainants depends largely on their perceptions of justice. Higher levels of distributive, interactional and procedural justice lead to more favourable repatronage intentions and a decreased likelihood of negative WOM (Blodgett & Anderson, 2000). Complainants who perceive that justice is not served likely become even angrier, engage in negative WOM and exit (Tax et al., 1998).

Distributive justice is outcome justice. It focuses on equity issues in the mind of the customer - an appraisal of the benefits received relative to the costs (money and time) associated with them. When the organization does not deliver on expected benefits, leading to a sense of being unfairly treated, this necessitates recovery. In recovery, customers may expect a refund, an apology, or/and compensation (Michel et al., 2009). Interactional justice refers to how customers perceive the way they are treated; treatment is perceived as fair when complainants assume that information is exchanged and outcomes are communicated in a polite and respectful manner. A complainant procedure is considered fair when it is allegedly easy to access, provides the complainant with some control over the disposition, is flexible and is concluded in a convenient and timely manner, (Gelbrich & Roschk, 2010).

Customers should be treated as individuals whose specific requests are acknowledged. Procedural justice refers to process fairness and the evaluation of the procedures and systems used to determine customer outcomes, such as the speed of recovery (Tax et al., 1998) or the information

communicated (or not communicated) about the recovery process (Michel, 2002).

Procedural justice involves dealing with decision-making procedures, or having a complaint procedure the customers perceive as fair. Consumer evaluation of the interaction dimension suggests that the quality of the interpersonal treatment and communication during the encounter are likely to be heavily weighted by consumers when evaluating service encounters (Smith et al., 1999). However, procedural fairness could be mitigated by a rude, impersonal interactional style through which information is obtained and outcomes are communicated.

### **Empirical Review**

Ihemereze and Onyia (2022) studied all Season and Concord Hotel Owerri, Imo State, to determine how customer complaint management affects hospitality firms. Research was directed by four theories. The researchers used a descriptive survey design and a questionnaire to collect data. SPSS 21.0 and Pearson correlation at 0.05 were used to analyse data. The study found that apology, compensation, quick response, and quality of service all affect customer retention, patronage, and loyalty in hotels. The study recommended that hospitality professionals should apologise to customers for poor service to retain them. In order to retain consumers, the hotel business should compensate them for poor service.

Maamari and Wasfi (2020) examined the relationship between effective service recovery, well-established communication structure, customer satisfaction and customer loyalty, in order to provide a better quality service for the millennial customers. The data collection process was done in two separate settings. In Lebanon, in the Middle East, the sampled population was approached at a business event (forum), where attendees were

a diverse group of employees, students, business owners and entrepreneurs, both male and female. The study used a questionnaire on a five-point Likert scale ranging from 'strongly agree' to 'strongly disagree' to obtain data for the study. Collected data was analysed using the SPSS software. The results show that there is a significant positive relationship between the following attributes: service recovery and customer loyalty, customer satisfaction and positive word-of-mouth, communication and conflict handling on loyalty.

Mara, Obeta, and Ademe-Godwin (2023) examined the relationship between service recovery strategies and customer patronage of fashion design firms in Port Harcourt. The aim of this study was to determine the relationship between service recovery strategies and customer patronage of fashion design firms in Port Harcourt. The study identified two dimensions and measures: response speed, apology, revisit and customer referrals. Cross sectional survey research design was adopted. The population of the study is comprised of the customers of registered fashion design firms in Port Harcourt. 104 copies of questionnaire were administered conveniently to 26 registered fashion design firms in Port Harcourt. The findings revealed that responds speed had positive and insignificant effect with repurchase intention and customer referrals, while apology had positive and significant effect on the two measures of customer patronage (repurchase intention and customer referrals).

## Research Methods

### Research Design

This study was conducted using a quantitative research approach and an explanatory research design. Quantitative analysis enabled the researcher to collect, group and categorize data to allow for statistical analysis. Explanatory designs seek to

uncover causes and effects of interactions and to find true interpretations for phenomena.

### Population of the Study

The population of this study comprised staff of 5 Deposit Money Banks across three (3) South East States of Nigeria. A random selection of the three (3) South East States has been done, from where a random selection of 5 Deposit Money Banks (DMBs) studied was also done. Care was taken in the randomization process to ensure that Deposit Money Banks (DMBs) selected are those that have regional spread.

### Sample Size Determination

The population of the study as obtained from [www.BankLocationMaps.com](http://www.BankLocationMaps.com) (2025) was 990 and using the Yamane's equation, the sample size was determined thus;

$$n = \frac{N}{1 + N(e^2)}$$

Where n = sample size

N = Total population

e = error (0.05)

Note: Here, the researcher assumed a 5% level of significance (95% confidence level).

$$\text{Thus } n = \frac{990}{1 + 990 (0.05)^2}$$

$$n = \frac{990}{1+990(0.0025)}$$

$$n = \frac{990}{3.475}$$

n = 285 respondents.

Therefore, a sample size of 285 respondents was used for the study.

### Sampling Technique

The sampling technique adopted for the study was non-probability sampling technique. For the present study, convenience sampling was used because of the nature of the respondents who were the studied banks employees. Bank employees who are customer service staff and some bank managers as well as customers were approached and used for

the study. The researcher approached these bank staff and customers within the banking halls where copies of the questionnaire were administered and retrieved after completion after due approval has been obtained for such questionnaire administration exercise. Using this method, a total of 285 bank staff were studied.

### Instrumentation of Data Collection

A structured questionnaire served as the major instrument of data collection in the study. The questionnaire contained both open and close-ended questions and Likert scale ratings. The Likert's scale of preference method was used in eliciting the opinions of individuals according to degrees or level. The scoring therefore was as follows; Strongly agree (SA) 5 points, Agree (A) 4 points, Neutral (N) 3 points, Strongly disagree (SD) 2 points, Disagree (D) 1 point. The scoring or rating scale was important because the attached figures made it easy for the researcher to pull together the positive and negative opinions for the statistical analysis. Care was taken in constructing the questionnaire and the researcher ensured that the questionnaire captured all the aspects of the study variables.

### Validity of the Instrument

The researcher used face and content validity to test research instrument's validity to ensure that the set questions were enough to

collect the intended responses. Secondly, the scales that were used in this study were adapted from established existing measures that were applied and validated in previous studies.

### Reliability of the Instrument

The issue of reliability was also addressed in the study. Firstly, test-retest was performed on the research instrument after which, the Cronbach's coefficient alpha was used to determine the internal reliability of the research instrument. This was done by subjecting items to internal consistency technique to assess the reliability. Collected pre-testing data were entered into the Statistical Package for the Social Sciences (SPSS) version 25.0 data analysis software to generate instruments internal consistency data. Cronbach's alpha that is greater than 0.7 was considered adequate and reliable for a given data collection instrument according to Gliem and Gliem (2003).

### Method of Data Analysis

All data obtained from the respondents were analysed using descriptive statistics and inferential statistics. All test of hypotheses was done according to the stated hypotheses of the study. Simple and multiple linear regressions were used to test the hypotheses.

### Presentation and Analysis of Data

#### Questionnaire Administration and Return

**Table 1: Administration and Return of Questionnaire**

Copies of Questionnaire Administered	Copies of Questionnaire Correctly filled	Copies of Questionnaire Not Returned/Rejected
285	280	5

**Source: Field Survey, (2025)**

For this study, a total number of two hundred and eight-five (285) copies of questionnaire were distributed to the respondents of the studied Deposit Money Banks (DMBs) in south east of Nigeria. Out of this number, two hundred and eighty (280)

were properly completed, while five (5) were rejected because they were incorrectly filled. Thus, the presentation and analyses of data were based on the correctly completed copies of the questionnaire and are as follows;

### Apology

**Table 2: Frequency distribution showing responses on apology in the studied Deposit Money Banks (DMBs) in south east of Nigeria**

Item Statistics						
	Statement items	N	Mean	S.D	Remark	
<b>APO1</b>	A sincere apology is often enough to resolve minor customer complaints	280	4.47	.871	<b>Accepted</b>	
<b>APO2</b>	Customers are likely to forgive service failure when they receive a prompt and genuine apology	280	4.05	1.238	<b>Accepted</b>	
<b>APO3</b>	Apologies reduce customer frustration more effectively than compensation alone	280	4.42	.714	<b>Accepted</b>	
<b>APO4</b>	Our bank trains employees on how to deliver apologies in a sincere and empathetic manner	280	4.42	.777	<b>Accepted</b>	
<b>APO5</b>	Some customers dismiss apologies and still demand compensation	280	4.08	.999	<b>Accepted</b>	

**Source: Field Survey (2025)**

Table 2 shows the mean scores and standard deviations of the responses of the studied Deposit Money Banks (DMBs) in south east of Nigeria on apology. The criterion for mean score acceptance was 3.0. The table above showed that APO1 had a mean score of 4.47, APO2 had a mean score of 4.05. Also, APO3 had a mean score of 4.42, APO4 had a

mean score of 4.42 while APO5 had a mean score of 4.08. Based on the criteria for mean acceptance, the above statement items were positively correlated to apology and further shows that apology exists in the studied Deposit Money Banks (DMBs) in south east of Nigeria.

### Customer Retention

**Table 3: Frequency distribution showing responses on customer retention in the studied Deposit Money Banks (DMBs) in south east of Nigeria**

Item Statistics						
	Statement items	N	Mean	S.D	Remark	
<b>CRT1</b>	Customers view the bank as superior to its competitors as a result of our service recovery strategies	280	4.04	1.008	<b>Accepted</b>	
<b>CRT2</b>	The bank's strategies for customer retention are based on its service recovery strategies	280	4.45	.680	<b>Accepted</b>	
<b>CRT3</b>	The implementation of effective service recovery strategies helps the bank to achieve customer retention	280	4.41	.911	<b>Accepted</b>	
<b>CRT4</b>	The bank speedily handles complaints customers' in order to satisfy its customers and also to retain their patronage	280	3.96	1.210	<b>Accepted</b>	
<b>CRT5</b>	The bank's objective of customer retention is driven primarily by service recovery strategies	280	4.65	.478	<b>Accepted</b>	

**Source: Field Survey (2025)**

Table 3 shows the mean scores and standard deviations of the responses of the studied Deposit Money Banks (DMBs) in south east of Nigeria on customer retention. The criterion for mean score acceptance was 3.0. The table above showed that CRT1 had a mean score of 4.04, CRT2 had a mean score of 4.45. Also, CRT3 had a mean score of 4.41, CRT4 had

a mean score of 3.96 while CRT5 had a mean score of 4.65. Based on the criteria for mean acceptance, the above statement items were positively correlated to customer retention and further shows the presence of customer retention strategies pursued by the studied Deposit Money Banks (DMBs) in south east of Nigeria.

### Customer Loyalty

**Table 4: Frequency distribution showing responses on customer loyalty in the studied Deposit Money Banks (DMBs) in south east of Nigeria**

Item Statistics					
	Statement item	Mean	S.D	N	Remark
<b>CLY1</b>	All our marketing activities are geared towards customer satisfaction and loyalty	280	3.95	1.025	<b>Accepted</b>
<b>CLY2</b>	Our service recovery strategies have given our Bank competitive advantage and increased customer loyalty	280	4.19	.995	<b>Accepted</b>
<b>CLY3</b>	The Bank lays strong emphasis on service recovery in order to achieve customer loyalty	280	4.33	.900	<b>Accepted</b>
<b>CLY4</b>	Customers take pride in being part of the bank	280	3.93	1.197	<b>Accepted</b>
<b>CLY5</b>	The Bank continually monitors customers to find ways to satisfy them and also make them loyal	280	3.77	1.205	<b>Accepted</b>

**Source: Field Survey (2025)**

Table 4 shows the mean scores and standard deviations of the responses of the studied Deposit Money Banks (DMBs) in south east of Nigeria on customer loyalty. The criterion for mean score acceptance was 3.0. The table above showed that CLY1 had a mean score of 3.95, CLY2 had a mean score of 4.19. Also, CLY3 had a mean score of 4.33, CLY4 had a mean score of 3.93 while CLY5 had a mean score of 3.77. Based on the criteria for mean

acceptance, the above statement items were positively correlated to customer loyalty and further shows that customer loyalty is aggressively pursued in the studied Deposit Money Banks (DMBs) in south east of Nigeria.

### Test of Hypotheses

**HO<sub>1</sub>:** Apology does not have any significant effect on customer retention of Deposit Money Banks (DMBs) in south east of Nigeria

### Effect of Apology on Customer Retention of Deposit Money Banks (DMBs) in South East of Nigeria

**Table 5: Simple regression result on the effect of apology on customer retention of Deposit Money Banks (DMBs) in south east of Nigeria**

Variables	Coefficient	Std. Error	t-value	p-value
(Constant)	-0.855	0.268	-3.192	0.002
Apology	1.154	0.058	19.987	0.000
R	0.768			
R <sup>2</sup>	0.590			
Adjusted R <sup>2</sup>	0.588			
F-statistic	399.484			

**Source: Field Survey (2025)**

The regression result in Table 5 shows that apology was a positive and significant factor affecting customer retention of Deposit Money Banks in South East, Nigeria. Apology was significant at 1% probability level and positively related to customer retention of Deposit Money Banks in South East, Nigeria. This indicates that customer retention of Deposit Money Banks in South East, Nigeria is greatly influenced by the way they apologize to aggrieved customers. Thus, as apology increases, customer retention of Deposit Money Banks in South East, Nigeria also increases and vice versa.

The F-statistic in the regression above was 399.484 and significant at the 1% probability level indicating that the model specification was correct. The estimated regression equation shows that customer retention of Deposit Money Banks in South East, Nigeria is a linear function of apology. The  $r^2$  value of 0.590 indicates that 59% of the variation observed in customer retention

of Deposit Money Banks in South East, Nigeria was explained by apology. This assertion is at the 99% confidence level. With this result, the null hypothesis which states that there is no significant effect of apology on customer retention of Deposit Money Banks in South East, Nigeria is rejected and the alternative hypothesis accepted. It can therefore be concluded that apology has significant effect on customer retention of Deposit Money Banks in South East, Nigeria.

**$H_0$** : Apology does not have any significant effect on customer loyalty of Deposit Money Banks (DMBs) in south east of Nigeria

#### **Effect of Apology on Customer Loyalty of Deposit Money Banks (DMBs) in South East of Nigeria**

The result on the effect of apology on customer loyalty of Deposit Money Banks (DMBs) in south east of Nigeria is presented in the Table that follows;

**Table 6: Simple regression result on the effect of apology on customer loyalty of Deposit Money Banks (DMBs) in south east of Nigeria**

Variables	Coefficients	Std. Error	t-value	p-value
(Constant)	-3.859	0.502	-7.694	0.000
Apology	1.703	0.108	15.756	0.000
R	0.687			
$R^2$	0.472			
Adjusted $R^2$	0.470			
F-statistic	248.256			

**Source: Field Survey (2025)**

The result of the effect of apology on customer loyalty of Deposit Money Banks in South East, Nigeria using simple regression model is presented in the Table 6. From the simple regression analysis table, apology was statistically found to be a significant (1% probability level) and positive predictor of customer loyalty of Deposit Money Banks in South East, Nigeria. Thus, it can be said with 99% confidence level that apology in the

studied Deposit Money Banks in South East, Nigeria plays significant role in determining the level of customer loyalty. As apology increases, customer loyalty also increases.

Also, the  $R^2$  value of 0.472 implies that 47% of the variation observed in customer loyalty of Deposit Money Banks in South East, Nigeria was accounted for by apology. The remaining 53% can be traced to the residual factors denoted by  $e_1$  in the

regression equation. Thus, customer loyalty of Deposit Money Banks in South East, Nigeria will improve when sincere apology is rendered. Similarly, the f-statistic value of 248.256 indicates that the model specification was correct while significant at 1%. With this result, the null hypothesis which states that apology does not have any significant effect on customer loyalty of Deposit Money Banks in South East, Nigeria is rejected and the alternative hypothesis accepted. It can therefore be concluded that apology has significant effect customer loyalty of Deposit Money Banks in South East, Nigeria.

### Discussion of Result

The essence of the study was to determine the effect of apology on customer patronage of Deposit Money Banks in South East, Nigeria. Regression result in the study showed that apology was a positive and significant factor that affects customer retention of Deposit Money Banks in South East, Nigeria. This implies that customer retention of Deposit Money Banks in South East, Nigeria is greatly affected by apology. This finding is consistent with previous studies. Studies suggest that apology improves recovery evaluation, while being responsive and accountable to errors reduces customers' pain and shows the firm's efficiency in service delivery despite initial setback (Seawright *et al.*, 2018). Customer satisfaction increases when companies apologize to customers quickly for their complaints (Muhammad & Huma, 2017).

### Conclusion and Practical Implication

The research results have proven that apology can increase customer patronage of Deposit Money Banks in South East, Nigeria. When Deposit Money Banks in South East, Nigeria embrace apology to customers, they stand chances of achieving improved customer retention and loyalty within the shortest possible time. Apology positively influenced

patronage, particularly when perceived as sincere, enhancing emotional recovery. This study thus concludes that Deposit Money Banks in South East, Nigeria can use apology to improve their overall marketing performance.

An apology should be a mandatory first step in the recovery process. The bank managers should train employees on how to deliver a sincere and empathetic apology that acknowledges the customer's frustration and the bank's role in the service failure. The apology should be delivered as soon as the failure is identified, ideally the employee who is first made aware of the problem.

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