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**INFLUENCE OF RELATIONSHIP MARKETING ON CUSTOMER
LOYALTY IN THE TELECOMMUNICATION INDUSTRY IN DAR ES
SALAAM, TANZANIA**

BY:



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**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF COMMERCE AT STRATHMORE
UNIVERSITY**

**SCHOOL OF MANAGEMENT AND COMMERCE STRATHMORE
UNIVERSITY NAIROBI, KENYA**

11th JUNE 2019

DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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11th June 2019

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ABSTRACT

The telecommunication industry in Tanzania is fast growing and has revolutionized the way people communicate, network or transact. This growth has led to a stiff competition within the industry and very low switching costs for the customers. In order to survive, these companies need to strategies on how best to retain their customers. The main objective of this MCOM study was to analyze the association between relationship marketing and customer loyalty in the telecommunication industry in Dar es salaam, Tanzania. The study adopted a descriptive survey design and primary data was collected using semi structured questionnaires. A sample size of 400 was derived comprising mobile subscribers from Vodacom, Tigo and Airtel living in Dar es Salaam. The results of the study established that there is a significant positive influence between relationship marketing and customer loyalty. Limitations to this study included language barrier of majority of the respondents making the study take longer than expected and budget constraints which resulted to the coverage of only one region which is Dar es Salaam. The study has made contribution to theory, policy and practice in relation to RM and customer loyalty, highlighting challenges and opportunities on how entrepreneurial leadership can leverage on these two variables to transform this technology sector. Further research may focus on studying different regions, other industries, use different methodologies, and even diversify on the relationship marketing variables.



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LIST OF ACRONYMS AND ABBREVIATIONS

ARPU Average Revenue Per User

CL Customer Loyalty

DSE Dar es Salaam Stock Exchange

MFS Mobile Financial Services

SPSS Statistical Package for Social Sciences

TTCL Tanzania Telecommunications Company Limited

RM Relationship marketing



CHAPTER ONE

INTRODUCTION

1.1 Background of the study

There has been a change of focus from transactional marketing to relationship marketing (Grönroos, 1994; Christopher, Payne, Ballantyne, 1991) in the marketing field. Relationship marketing and transactional marketing differ in a number of ways. The most common and well known difference is that relationship marketing focuses on retaining old customers while transactional marketing focuses on attaining new customers. Emphasis on customer commitment, customer service and customer contact is high when it comes to RM whereas these factors are less emphasized or limited in transactional marketing (Šonková & Grabowska, 2015). Relationship marketing has also seen organizations change their theories and strategies from focusing on competition to focusing on cooperation (Sheth, 2017). Moreover, transactional marketing takes a short time to implement as opposed to relationship marketing. Last but not least, relationship marketing closes the quality gap between customer expectation and what they get (Christopher et al., 1991). Other studies have also shed more light on the differences between these two concepts.

Relationship marketing has been in existence for decades and although many authors claim that focus has shifted from transactional marketing to relationship marketing, many big organizations worldwide still use transactional marketing strategies. In spite of this we can't ignore the fact that customers today as compared to decades ago have become more demanding making quality and customer service key components in marketing so as to achieve optimal customer satisfaction (Šonková & Grabowska, 2015).

The telecommunication industry is one of the key industries for all economies and plays a significant role for socio-economic development. This industry over the past years has witnessed tremendous growth facilitated by technological advancements. Lives have been changed from the use of cloud services, social media (Tichafa & Nyoni, 2017), mobile payment, mobile number portability, the internet, broadband and still there is much more coming in terms of technological change and investments in 4G and beyond, connected objects, artificial intelligence, big data analytics, virtual reality and much more (Balaji, 2017). Fierce competition has forced the

telecommunication companies to focus on creating lasting relationships with their customers so as to get insight on their desires in order to improve their delivery. For the telecommunication companies to achieve this they have to move from applying the traditional marketing mix to applying relationship marketing practices (Ali Raza, 2012).

1.1.1 Relationship marketing

Many authors have well-defined the relationship marketing concept. Morgan & Hunt (1994) states that relationship marketing involves marketing activities geared towards the establishment, development and maintenance of successful relations. Grönroos (1994) definition of RM adds to the Morgan and Hunt definition (1994) to emphasize enhancement of relationships with customers and other stakeholders profitably so as to achieve the objectives of the parties involved through mutual exchange of promises. Moreover, Palmatier (2008) describes relationship marketing as a process of identifying, developing, maintaining and terminating relational exchanges with the purpose of enhancing performance. In addition, Christopher et al. (1991) define RM as a combination of quality, customer service and marketing. All in all, most of the definitions currently in use revolve around the notion that RM is about maintaining and enhancing customer relationships (Pressey & Mathews, 2000). On the other hand (Christopher et al., 1991; Jean Donio, Paola Massari & GiuseppinaPassiante, 2006) suggest that terminating relationships with unprofitable customers is part of enhancing relationships with other stakeholders. With all the given definitions, relationship marketing can simply be described as the process of establishing, developing, and maintaining mutually beneficial relations with consumers at a profit.

Not all organizations can successfully implement a relationship marketing strategy or strategies due to their nature (Pressey & Mathews, 2000). There has to be a two-way relationship with commitment (Ndubisi, 2007) and trust (Morgan & Hunt, 1994a) being the underpinning dimensions.

Other key dimensions or practices of relationship marketing as according to (Grönroos, 1994; Dwyer, Schurr, & Oh, 1987; Ndubisi, 2007) include the promise concept, conflict handling and communication. Pressey and Mathews, (2000) supports these practices and even adds more to include the length of a relationship, open two way communication, having customer's best interest at heart, a commitment to quality for

both parties and an attempt to favourably retain a customer. Organizations are therefore expected to sacrifice compromise and make wise decisions and investments so as to facilitate the acquisition and retention of potentially loyal customers. There are numerous factors that contribute to the relationship marketing success. Different literatures have identified varied practices in which the results of the RM efforts are mediated by relational constructs (Alrubaiee & Al-Nazer, 2010). Some of these practices include trust, bonding (Alrubaiee & Al-Nazer, 2010), commitment, communication, customer satisfaction (Gupta & Sahu, 2015), conflict handling, service quality, promises. Practices that have consistently been identified by scholars include trust, communication, commitment and conflict handling (Ndubisi, 2007; Alrubaiee & Al-Nazer, 2010; Husnain & Akhtar, 2016; Seyyednejad, Alipur, & Feizi, 2013). For this study's interest, trust, commitment, communication and conflict handling will be used to analyze the association between relationship marketing and customer loyalty.

Trust according to Schurr & Ozanne (1985) banks on the reliability of a partner's word or promise to fulfill his or her duties in the relationship while Moorman, Zaltman, & Deshpande (1992) basically talk about being able to rely on person because you have confidence in them. In the marketing context, commitment illustrates the persistent need to maintain a valued relationship. This requires a higher level of obligation by the seller for the buyer- seller relationship to succeed. Ndubisi, (2007) describes communication as being able to provide trustworthy information in a timely manner. Communication starts from the awareness stage, to the sales process and eventually post sales. The seller has to constantly keep in touch with the customers and make a follow up on customer feedback and solve any problems that arise.

Dwyer et al. (1987) define conflict handling the ability of the provider to avoid potential conflicts, solve apparent conflicts before they escalate and also be willing to discuss problems openly which as a result determines whether the customers will be loyal, exit or voice (Ndubisi, 2007). These practices through a number of empirical studies have proven to highly influence or increase customer loyalty.

In the telecommunication field, relationship marketing has for the most part yielded positive results (Kibeh, 2013; Koi-Akrof, Koi-Akrof, & Welbeck, 2013; Ali Raza, 2012) even though not all the variables used to measure relationship marketing in these

studies are the same. For instance, quality service, price perception, brand image and value offers have been used as relationship marketing practices used to measure customer loyalty in the telecommunication industry in Nigeria (Ogungbade, 2015) while trust, communication, commitment and satisfaction have been used in the Kenyan context (Kibeh, 2013). The results from various studies also show that relationship marketing does not necessarily influence customer loyalty directly.

There are cases of variables being unable to influence customer loyalty without the presence of another variable. Customer satisfaction for instance does not have an effect on customer loyalty in the Nigerian telecommunication sector without the presence of trust towards both the service and service provider (Ogungbade, 2015). Other variables have yielded less or no correlation with customer loyalty as exemplified in Sweden where it was discovered that switching costs, satisfaction and trust have less correlation with customer loyalty in their telecommunication industry (Ali Raza, 2012).

These mixed findings are in support of the argument that relationship marketing practices cannot be generalized across industries (Saungweme, Naicker, & Chuma, 2010) hence the need to analyze the relationship marketing practice within the Tanzanian context.

1.1.2 Customer Loyalty

The presence of highly competitive markets has resulted to companies to pay more attention to retaining their customers so as to enjoy the lower costs associated with retaining customers, marketing through word of mouth, customers acting as information channels or the customer's ability to expand their relationship within a product range (Rosalind, McMullan & Audrey Gilmore, 2008). This notion has also been supported by other authors like Grönroos (2005).

Customer loyalty is a broad phenomenon and many academics and practitioners have debated on what customer loyalty really entails. CL definitions can be broadly categorized into behavioral loyalty, attitudinal loyalty (Kihara & Ngugi, 2012; Kibeh, 2013; Quaye, 2012a; Bello, 2010; Iddrisu, 2011) and emotional loyalty (Hayes, 2013a; Jahanzeb, Fatima, & Khan, 2011). Behavioural approach or behavioural loyalty is stated as the consistent buying behavior of a customer Bello (2010). Not all authors agree with this notion and some have pointed out that repeat purchase which has

resulted from a customer trying to avoid search efforts, when the customer is faced with high switching cost barriers (Kihara & Ngugi, 2012) or when a customer has a narrow choice in a product category cannot be considered as loyalty. The attitudinal approach is said to be a function of psychological processes with commitment towards a brand as the underlying factor Bello (2010). A customer's attitude and commitment towards a brand have a greater impact on forming loyalty (Kihara & Ngugi, 2012). Kibeh, (2013a) has added favoritism and goodwill towards a product or service as elements that lead up to customer loyalty. Emotional loyalty relates to how a customer feels about doing business with you and your products, appreciates what you do and does not even think of doing business with someone else.

These groups can be further broken down into individual definitions from various authors. Dick and Basu (1994) have defined CL as "the strength of the relationship between an individual's relative attitude towards an entity (brand, service, store or vendor) and repeat patronage". Here the emphasis has been made on customer's attitude while according to Oliver (1997) CL is a deep commitment to rebuy or repatronize a preferred product or service consistently in the future, despite facing obstacles that have the potential to cause switching behavior. This definition puts emphasis on repeat purchase behaviour of customers (Robert Gee, Graham Coates, & Mike Nicholson, 2008). Other authors like Wilson (1995) have interpreted CL as an expectation to continue a relationship with a particular brand. After critically reviewing and evaluating 53 operational definitions of customer loyalty (Berkowitz, Jacoby, & Chestnut, 1978) concluded that loyalty is related to the proportion of expenditure devoted to a specific brand or store (Robert Gee et al., 2008).

However, Neringa and Viltė (2009) point out the fact that customer loyalty can only be considered as active loyalty or true loyalty if the intention of the customer is not to switch even when the brand provides less positive conditions. The same view has also been shared by Beerliet al. 2004; Essays, UK. 2013 & Oliver, 1999). In view of this study our working definition for customer loyalty will be that of Oliver (1997) which goes beyond the customer repeat purchase behaviour to look at the customer behaviour or attitude under undesirable or unfavourable circumstances.

Customer loyalty can generally be categorized into the objective and subjective approach. The objective approach focuses on metrics that are captured by the system

that involves specific, measureable numbers regarding customer behavior, obtained from historical records, purchase records, online behavior and other objective sources; while the subjective approach is based on soft numbers regarding customer loyalty which are obtained from customers' feedback on their feelings towards the organization and their behavior towards the organization (Hayes, 2013b). These two approaches can further be broken down into three key measurements: retention, advocacy and repeat purchase (Sutton, 2012). Any negative responses by customers under these three measures will be an indication of customer loss.

Hayes (2013) developed a CL framework to categorize the different measurement metrics for customer loyalty. In this framework, the measurement metrics for advocacy, retention and repeat

purchase (which are measures of customer loyalty) are grouped into two expansive categories of loyalty; behavioral and emotional loyalty and then further grouped based on the objective and subjective approach of customer loyalty.

Retention and repeat purchase fall under behavioural loyalty. Retention demonstrates a customer's willingness to carry on with a particular company's service or products. It can be measured objectively by looking at factors such as the churn rates or the service renewal rates by customers and subjectively by looking at the likelihood of the customers to leave or the likelihood to renew a service contract. Repeat purchase refers to the extent to which customers' purchasing behavior will increase. Measurement metrics for purchasing under the objective approach may include sales records and frequency of usage/views/visits. Subjectively, factors such as likelihood to buy diverse/more products or likelihood to increase usage may be used.

Advocacy is the only measure that falls under emotional loyalty. Advocacy may be defined as the degree of positive feeling that customers feel towards a brand and are also willing to advocate the product, service or brand. Under the objective approach, one may ask about the number or percent of new customers as a measurement metric. For the subjective approach the following factors or questions may be used; willingness to forgive, likelihood to recommend, likelihood to buy the same product, overall satisfaction, level of trust, and willingness to consider.

To sum it all up, the key indicators for advocacy include a customer's willingness to recommend or choose the product again together with their overall satisfaction of the

product; for repeat purchase the main indicators include the customer's willingness to purchase more often, purchase different or more expensive products and even increase the number of purchases. Retention is measured by looking at the customer's willingness to purchase from competitors, switch to another supplier or even stop purchasing from the supplier (Hayes, 2009).

1.1.3 Telecommunication industry in Tanzania

There are six main mobile operators in Tanzania namely Vodacom with a market share of 31% followed by Tigo (29%), Airtel (26%), Halotel (8%), Zantel (3%), Smart (2%) and TTCL (1%). The Telecommunications industry in Tanzania has witnessed a fast growing trend in the recent years with Mobile Network Operators investing heavily in complex physical networks that have a wide variety of technologies, network nodes and geographical span (Rumanyika, 2016). For instance, Tigo a mobile network operator in Tanzania, plans on investing USD 75 million to expand its 3G and 4G network in the rural and semi-urban areas (Tanzania Invest, 2017); and Halotel plans to invest USD 100 million to expand its wireless coverage network and improve quality of services (PriMetrica, 2017).

With a population of around 52 million people Tanzania has recently witnessed its mobile phone subscribers grow up to 40.17 million in 2016 and its internet users increasing from 17.26 million in 2015 up to 19.86 million in 2016 (Ng'wanakilala, 2017). The market penetration rate in Tanzania is at 83%, 39% and 0.2% for the mobile-sim population, internet users and fixed-line telephone users respectively (Lancaster, 2017).

The telecommunication market is characterized by a large rural population; low per capita income and stiff price competition amongst the existing mobile network operators making the market less rewarding but at the same time less risky due to the presence of a positive regulatory framework. The main players in the industry include Vodacom, Tigo, Airtel, Halotel, Smart and TTCL with TTCL and Zantel (85% owned by Tigo) being the only mobile network operators offering fixed line-voice services in Tanzania mainland and Zanzibar respectively (Chong, 2014).

Positive developments have been witnessed recently in the Telecommunications industry. Some of these recent developments include being the first African market to achieve interoperability in February 2015, after Vodacom joined Airtel, Tigo and

Zantel to make their mobile financial services (MFS) platforms interoperable (Chong, 2014); government ordering mobile network operators to list 25% of their shares at the Dar es Salaam Stock Exchange (DSE) (PriMetrica, 2016); introduction of mobile number portability (Lancaster, 2017); allocation of TZS17.5 billion by the government to improve rural telecom infrastructure (Lancaster, 2017); Viettel owned.

Halotel launched services focusing on rural coverage and data services (Chong, 2014). This coupled with the increasing price competition means that customer involvement and flexibility has increased and there are more alternatives and creative innovations.

Despite the developments in the telecommunication industry, the industry still faces a few setbacks such as the presence of a large untapped rural population, consumers not being aware of their rights in regards to telecommunication especially amongst the old aged population (Chong, 2014) and the low income earners (Mwakatumbula, Charles Moshi, & Mitomo, 2016). Labor turnover has also posed as another serious challenge within the industry especially since quality service is highly needed. Evidence also shows that poaching amongst the players is primarily caused by the lack of skilled labor, unfavorable working environment and poor compensation benefits. Other industries offer better working opportunities that have contributed to frequent labor turnover in the sector (Kweka & Sedoyeka, 2014).

The banking and telecommunication industry play key roles in the growth of the Tanzanian economy and rely heavily on strong customer relationships for their sustainability. Relationship marketing in the Tanzanian context has been centered on the banking industry. These studies have analyzed the relationship between relationship marketing and customer loyalty in different contexts, using different methods, constructs (Magasi, 2016; Kapologwe, 2013; Kazula, 2015; Abdallah, 2014 & Mwikwabhi, 2013; Kelema, 2013). This is hardly the case for the telecommunication industry where it is fair to contend that very few studies have explained how relationship marketing influences customer loyalty in the industry. Most of the articles are written on loyalty programs practiced by the telecom companies in Tanzania (Tigo, 2017; Vodacom, 2018) but these articles do not expound further to show if there is any association between relationship marketing and customer loyalty.

Customer loyalty being an important factor for the sustainability of these companies it is important for this study to analyze the relationship between relationship marketing and customer loyalty so as to establish whether the prevailing challenges within the industry can be solved by applying some of the relationship marketing practices or how best to execute these practices if they are already in use.

1.2 Statement of the problem

Customers want to be enticed and proven to that they get value for their money. Organizations on the other hand, venture into several strategies and techniques to ensure that they obtain new customers and retain their customer base for as long as it is possible. In today's business, more organizations are capitalizing on strong customer-supplier relationship. This allows the supplier to get invaluable information on how best to serve the customers and keep them from defecting to competing companies.

A number of studies have pointed out the importance of relationship marketing practices in obtaining loyal customers (Jones et al., 2015; Soimo, Wagoki, & Okello, 2015). This is of the assumption that customers tend to be loyal when they feel that they receive certain privileges by associating themselves with a brand. Relationship marketing is not simple to implement as it is made to look (Zinkhan, 2002) and a few businesses have the resources to develop long term relationships with every customer (Mack, n.d.). According to (Mohamad Rizan, Warokka, & Listyawati, 2014) RM tactics do not influence CL. This particular research was conducted amongst the affluent customers in the banking industry and realized that the customers were saving their money so as to diversify their investments and not because of any additional or privileged services that the banks provided.

Much as many studies have shown a positive association between relationship marketing and customer loyalty (Jones et al., 2015; Soimo et al., 2015; Husnain & Akhtar, 2016), some of these RM practices have proven otherwise. Trust for starters has been shown not to always have a significant effect on customer loyalty as exemplified by the study done by Hermawan (2012) on the non-life insurance sector in South Africa. Moreover, communication has been shown to have no significant effect on the attitudinal aspect of CL (Ibrahim, Hamid, Babiker, & Ali, 2015). In

addition to that conflict handling (Chakiso, 2015a) has proven to have an insignificant and negligible role in the Zemen bank in Ethiopia.

Relationship marketing is of strategic importance to the telecommunication sector given the country's market conditions but unfortunately only a handful of studies have been made in the sector in Tanzania. Many studies on the association between relationship marketing in the telecommunications market and customer loyalty have been conducted in other developing and developed countries but it can be argued that only a handful is known about this relationship in the Tanzanian telecommunication industry as opposed to the banking sector which has been thoroughly assessed by different academicians (Magasi, 2016).

Tanzania's telecommunication environment has now been regulated to increase customer involvement and flexibility. The presence of intense price competition, interoperability, mobile number portability and expansion to the rural areas means that customers can easily switch from one mobile network operator to another. The switching costs have thus become low making it very easy to switch from one network to another. Other benefits to the customers apart from the low switching costs include better quality services, low prices, more alternatives and creative innovations, hence the need for RM management.

On the other hand, from the telecommunication companies' standpoint, such factors mean stiff competition, customer defection and a decline in average revenue per user (ARPU) (Quaye, 2012a). Low switching costs may not necessarily lead to customer defection as customer value and good corporate image may compel the customers to remain loyal (Quaye, 2012b). Moreover customers have a tendency of maintaining multiple subscriptions thus making switching costs not a direct driver towards customer loyalty. With these prevailing market conditions, it is important that the fundamental marketing strategy or strategies should focus on retaining customers by enhancing customer loyalty and perceived value.

With that being said, the ongoing increase of threat of defecting customers in the Tanzanian telecommunication companies has driven such companies to use various tactics often times, similar or copied tactics, such as free minutes, promotions, and discounted bundled offerings to sweeten their offerings and lock-in customers. Furthermore, some studies such as that of Saungweme et al., (2010) show that the one

size fits all approach regarding relationship marketing practice does not always apply to all large and small businesses, small and medium sized service firms or all economies.

With such a business environment, where little has been documented about relationship marketing and given all the benefits of relationship marketing it would be ideal to find out whether these practices can offer some solutions to the prevailing challenges in the telecommunications industry. Hence the need for this study to try and establish the influence of relationship marketing on customer loyalty.

1.3 Research Objectives

The general objective of the study was to investigate the influence of relationship marketing on customer loyalty in the telecommunication industry in Tanzania.

1.3.1 Specific Objectives

The study was guided by the following specific objectives;

- i. To establish the influence of trust on customer loyalty within the telecommunication industry in Tanzania
- ii. To determine the influence of commitment on customer loyalty
- iii. To analyze the extent to which conflict handling influences customer loyalty
- iv. To investigate the influence of communication on customer loyalty

1.4 Research questions

- i. To what extent does trust influence customer loyalty?
- ii. How does commitment influence customer loyalty?
- iii. How conflict handling influence customer loyalty?
- iv. To what extent does communication influence customer loyalty?

1.5 Significance of the study

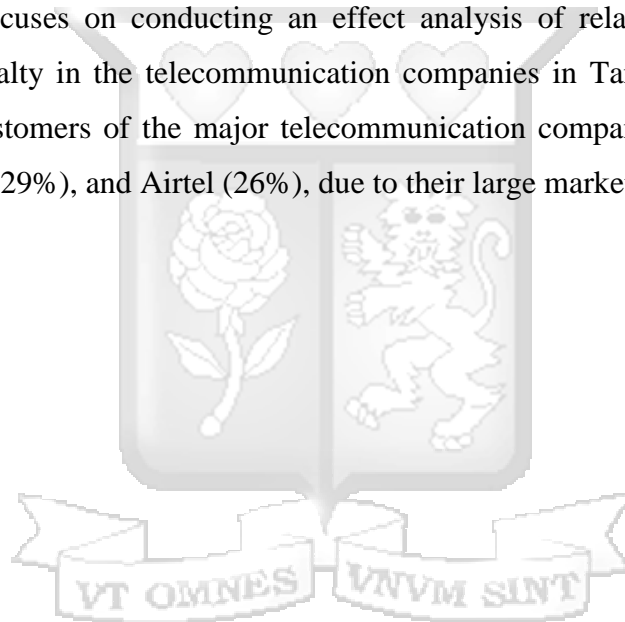
The outcome of this study will give a general understanding on how the trust, commitment, communication and conflict handling influence the loyalty of the customers in the Tanzanian telecommunication industry. The study will also recommend other areas of research based on the findings to fill in the information gap within this area. Apart from contributing to a general body of knowledge, the findings will act as point of reference for future studies within the RM field.

Results of the study will have utmost importance to the Mobile Network Operators and the telecommunication regulatory authority especially in regards to policy formulation. The study will reveal and hence provide information to the management on how to adjust and effectively institute effective policies and strategies on customer relationship marketing and effective ways of achieving customer loyalty.

The Telecommunications sector on the other hand will be equipped with relevant information regarding how relationship marketing influences customer loyalty amongst the Mobile Network Operators on Tanzania and which dimensions are more important than others.

1.6 Scope of the study

The study focuses on conducting an effect analysis of relationship marketing on customer loyalty in the telecommunication companies in Tanzania. The study will target the customers of the major telecommunication companies, that is, Vodacom (31%), Tigo (29%), and Airtel (26%), due to their large market shares.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section will review the current literature discussing those customer relationship factors believed to have a significant influence on customer loyalty. Specifically, this study focuses on the ways that the variables of trust, commitment, communication and conflict handling influence customer loyalty.

2.2 Theoretical framework

A number of theories have been used to relate relationship marketing to customer loyalty. However, this study will focus on two theories; commitment-trust theory and knowledge based theory.

2.2.1 Commitment-Trust Theory

Academic work on the relationship between consumer behavior, trust, and commitment has proliferated within recent decades. Within the academic research, commitment-trust theory is a newer approach that has been widely adopted by those working within marketing and by academics (Hsu, Lin, and Lee, 2010). As recognition of the importance of these elements has grown, specific factors believed to influence trust and commitment have been widely developed through the literature on this subject (Hsu, Lin, and Lee, 2010).

Commitment and trust according to (Morgan & Hunt, 1994b) have been identified to be the key constructs to the success of any RM efforts. The two constructs are important because they help marketers to become high risk takers, more cooperative and resist attractive short term alternatives in order to build long lasting relationships with their existing customers and also because they believe that their customers will not act opportunistically. As a result, customers develop trust in these businesses and the mutual loyalty which helps both parties to fulfil their needs. This theory thus informs and guides on two of the study's objectives which are the influence of trust and commitment on CL.

Existing research also supports that while the relationship between trust, commitment, and consumer behavior is clearly correlated, it is also driven by a variety of influences, some of which are more traceable than others. For example, Van Doorn et al. (2010)

find that while trust and commitment are significant to consumer behavior, customer engagement behaviors are complex comprised of many factors and influenced by many external elements.

The commitment-trust theory will therefore guide the study on the possible reasons as to why trust and commitment have yielded positive influence on customer loyalty in many industries.

2.2.2 Knowledge-Based Theory

The knowledge-based view is engaged in exploring knowledge as a resource, particularly when considering the role of knowledge sharing in consumer relationship building. The knowledge-based approach also presents a new way to consider the firm and its relationship to the individual consumer, as well as its potential success outcomes (Algezau & Filieri, 2014). In defining this term within the marketing context, Mejri and Umemoto (2010) present knowledge as a complex phenomenon that arrives from networks, cultures, and entrepreneurial-ship. Furthermore, within this approach, knowledge is both acquired and applied in a variety of ways, some of which are more subtle and complex than others (Mejri & Umemoto, 2010). Knowledge is important when it comes to making decisions regarding customers. Knowing about the customer tastes and preferences or grievances helps the telecommunication companies improve on their services. The current popular trend on information gathering in the telecommunication companies is through social media (Della Corte, Iavazzi, & D'Andrea, 2015; Tichafa & Nyoni, 2017).

This theoretical approach, like others, is also concerned with the relationship of innovation to consumer outcomes. Martin-de Castro (2015) argues that knowledge, when considered as a resource, is important to competitive advantage over time, as it fosters innovation. With additional knowledge, potential outcomes are improved; knowledge is a resource that replicates itself. Algezau & Filieri (2014) also argue that competitive success is linked to innovation, creating a strong emphasis on knowledge and the importance of building and sharing it.

Historically, this theory has focused on elements such as a firm's capabilities, how products are diversified, and how these elements ultimately affect consumer outcomes (Nath, Nachiappan, & Ramanathan, 2010). As in the case of the knowledge-based approach, this could be seen to be limiting to the growth or progression of the theory.

However, one such effort at developing the theory further is through focusing on different elements than those that have typically been widely addressed by this approach. For example, much work focuses on the component of marketing innovation, which has been agreed to be an important aspect of competitiveness within marketing (Gupta & Malhotra, 2013).

Some work also concentrates on ways that firms can also have positive outcomes through supporting a culture of innovation and recognizing its relationship to strategy throughout an innovation process (Terziovski, 2010). Value and rareness is another quality which is perceived to be a resource and which is aligned with competitive advantage and product performance through the resource-based approach (Newbert, 2008). The knowledge based theory will thus guide on how the knowledge is used by companies to gain competitive advantage.

2.3 Empirical Review

In this section, the research work compares and contrasts different authors' views on relationship marketing practices and customer loyalty.

2.3.1 Trust and customer loyalty

Trust is one of the key influencers of relationship marketing (Morgan & Hunt, 1994b). A significant number of studies have attributed trust and commitment to the success of RM efforts (Palmatier, 2008; Morgan & Hunt, 1994b). Morgan and Hunt (1994) add that the use of power to condition others does not facilitate relationship-marketing success. Trust has in some cases not shown to have a significant influence towards CL. One such case is among the non-life insurance providers in South Africa, where customer relationship management is used as the intervening variable (Roberts-Lombard, Strachan, & Du Plessis, 2013a).

Literature reflects trust as emerging from interactions a customer has with a particular brand and his or her perception of those interactions. In their research, Dagger and O'Brien (2010) find that trust and commitment are contingent on the amount of relationship experience the consumer has had with that brand. Furthermore, in their work on these consumer-brand relationship factors, Garbarino and Johnson (1999) find that for those customers who do not engage frequently with the brand form their opinion mainly on the satisfaction connected with individual experience, whereas

consumers who engage more frequently with a brand tend to form their opinions from trust and commitment.

This suggests that as trust and commitment build with more brand experience, they become an important mediating factor in consumer intentions, positive perception and loyalty. It also suggests that trust and commitment have more influence over customer perception than one specific interaction does. These elements do not have as much influence over casual consumers, supporting the idea that building brand relationships is important to fostering a context in which trust and commitment can grow over time. Individual interactions are more important with casual customers. Goo and Huang (2008) also confirm that relational brand outcomes such as loyalty are benefited by consumer trust and commitment. Therefore, both individual interactions and trust and commitment are important to consumer behaviors.

Research on trust suggests that it is built through experience; thus encouraging consumers to repeat their business is key to building trust and contributing to the gradual development of loyalty over time (Kocak & Abimbola, 2009). However, commitment and trust are frequently discussed in conjunction in the literature, and it seems that it is challenging to distinguish them from each other (Hsu, Liu, & Lee, 2010; Dagger & O'Brien 2010; Goo & Huang, 2008). Commitment and trust are found to greatly influence each other.

Trust has been highly called to attention as one of the most important practices that influence customer loyalty. Research conducted in the banking industry in Ghana has yielded a different result showing that trust has a negative and insignificant relationship when it comes to customer loyalty due to the fact that the country has a sound regulatory framework (Koi-Akrof, Koi-Akrof, Welbeck, 2013). With all these contradicting results it is paramount for this study to analyze this relationship and see how it applies in the Tanzanian market.

2.3.2 Commitment and customer loyalty

Henning et al., (2004) suggest that there is no difference between commitment and customer loyalty while other studies choose to identify commitment as an antecedent to customer loyalty (Morgan & Hunt, 1994a) (Bricci, Fragata, & Antunes, 2016). Consumer commitment has complex relationships to a variety of other elements. For example, Hsu, Liu, and Lee (2010) find that consumer satisfaction directly influences

commitment, trust and community identity, as well as consumer purchasing behaviors, creating loyalty. Furthermore, the success of corporate image depends on the extent to which they specifically engage consumer trust and commitment (Hsu, Liu, & Lee, 2010). Not all studies have attributed commitment to the success of relationship marketing efforts. One study in particular in the non-life insurance sector in South Africa has shown that commitment has a significant negative influence on relationship marketing (Roberts-Lombard, Strachan, & Du Plessis, 2013b).

Recent studies have conceptualized commitment into four components namely affective, positive calculative, negative calculative and normative commitment Sharma et al., (2006: 65, 69). Affective commitment is where a customer stays in the relationship because they like their suppliers and enjoy working with them. Negative calculative commitment is simply the type where the customer stays because of the perceived switching costs or the lack of alternative suppliers while on the other hand positive calculative commitment has the customers staying in the relationship because the relationship is beneficial. All in all, affective commitment represents positive motivation while calculative commitment represents negative motivation and customers are more likely to buy additional services when they are affectively committed than when they are calculatedly committed. Lastly, researchers describe normative commitment as an attachment due to felt obligations (Roghianian & Gheysari, 2013).

Additional factors emerge from the work on consumer commitment. Interestingly, in their work examining factors that enhance trust and commitment, Palamtier, Jarvis, Bechkoff, and Kardes (2009) find that gratitude is an important such factor in relationship building. Gratitude can be built through beneficial product performance outcomes (Palamtier et al., 2009). A brand's personality traits can also contribute to the trust and commitment a consumer has with a brand, both directly and indirectly (Louis & Lombart, 2010). While it is clear that consumer trust and commitment have a relationship with consumer behavior, this relationship is complex.

A positive correlation between feelings of commitment and consumer behavior can be observed, but the specific contribution of particular elements to commitment is not known, nor is the exact way that commitment impacts consumer behaviors. Managers can easily be misled into thinking that commitment efforts can yield the same reactions

from customers (Lariviere et al., 2014). Additional research on consumer commitment is needed to better understand this element and to distinguish it from other aspects influencing consumer behavior hence why this study is being conducted.

2.3.3 Communication and customer loyalty

How well the firm communicates positive information about itself creates a strong brand presentation, heavily influencing how consumers perceive the brand (Aguilera-Caracuel, Hurtado-Torres & Aragón-Correa, 2012). In their discussion on customer communication, So, King, Sparks, and Wang (2016) point out the importance of consumer engagement, finding that it accentuates customer perception of the brand, trust, and loyalty. They additionally find that communication with the consumer past the initial service encounter contributes greatly to brand loyalty (So et al., 2016). Furthermore, Patterson (2016) finds that customers with little experience with a brand have difficulty assessing their own perception of their brand and the value they received after their encounter, but communication with the customer will help to create positive perceptions of the brand and of the value received. In addition, social media can play an important role in influencing brand attitude and loyalty (Schivinski & Dabrowski, 2016).

Communication is also a function of knowledge sharing and thus has internal and external facets that are pertinent to eventual consumer behavior. Håkanson (2010) argues that knowledge is transactional, and that it is important to remember that knowledge occurs within a firm, as well as between firms and consumers. Blome, Schoenherr, & Eckstein (2014) suggest that the knowledge transfer, both internally and externally, is important to overall product flexibility and to eventual market performance (Blome, Schoenherr, & Eckstein, 2014). Similarly, Kocak, and Abimbola (2009) argue that organizational structure, including the emphasis on marketing and learning, are all essential elements of success, and that one cannot be favored over others. Communication then plays a significant role in product outcomes and brand perception throughout the marketing process.

Communication is observed to be a uniquely powerful aspect of relationship building through relationship marketing, one that has a tremendous impact on consumer behavior and loyalty (Aguilera-Caracuel, Hurtado-Torres & Aragón-Correa, 2012; Patterson, 2016; Schivinski & Dabrowski, 2016). For this reason, this aspect may be

the most important in influencing customer perception and building goodwill. However, it may also be challenging to communicate with consumers in unique ways, as this element of relationship building is widely understood to be important (Patterson, 2016; Schivinski & Dabrowski, 2016). A good example, in a study on loyalty enhancing communication for telecommunication customers in Sweden (Awan & Said, 2011), the authors in their findings discovered that passive or inactive customers are more inclined to communication focused on price options that are cheaper hence the companies should frequently communicate cheaper price options while on the other hand active customers take initiative to search for more rich information hence the telecommunication companies should be constantly update their information and customers on various innovative services beneficial packages. A lack of understanding of these customer groups may lead to inadequate marketing efforts. This study aims at bridging this gap between the communication construct and customer loyalty.

2.3.4 Conflict handling and customer loyalty

Prasad and Aryasri (2008) define conflict handling as the ability of the supplier to minimize the negative consequences of apparent and potential conflicts. Conflict handling reflects the supplier's ability to avoid potential conflicts before they escalate and the ability to discuss the problems openly and provide solutions when problems arise. In addition, the authors note that the effective management of conflict is a significant factor in creating consumer loyalty (Prasad & Aryasri, 2008; Kulet, 2017). To add on to that some studies even emphasize that conflict handling is the first strong contributor of customer loyalty as opposed to trust as in the case to most studies (Gedefaw, 2014).

The management of conflict will directly influence a consumer's perception of the brand and how he or she retains the conflict (Prasad & Aryasri, 2008). Consumers exhibit increased loyalty to those brands which they do not retain negative conflict perceptions (Prasad & Aryasri, 2008). Leonidou, Talias, and Leonidou (2008) find that conflict has a negative correlation with trust and consumer loyalty, whereas consumer satisfaction builds it. Therefore, the avoidance of conflict is key in building consumer trust and loyalty. On the contrary some studies have identified a negative relationship between conflict handling and customer loyalty. An insignificant and negative relationship has been shown between conflict handling and customer loyalty in Zemen

Bank in Addis Ababa (Chakiso, 2015b). It is important to note that these results came about when conflict handling was regressed cumulatively. The study pointed out that conflict handling can influence customer loyalty as individual effect.

Additionally, Pesämaa & Hair Jr. (2008) find that interpersonal relationships with the brand present a mediating factor enhancing consumer trust, commitment, and loyalty that can also enhance the effects of conflict handling. On the other hand, a negative perception of the brand that is brought about by ineffective conflict handling can result in defection (Malhotra, Agarwal & Ndubisi, 2010).

Conflict is presented as being inevitable in consumer relationships (Prasad & Aryasri, 2008; Leonidou, Talias, & Leonidou 2008). The research reflects that conflict handling has a direct influence on whether a consumer will continue a relationship with the brand (Leonidou, Talias, & Leonidou, 2008; Malhotra, Agarwal & Ndubisi, 2010). Conflict handling and trust are connected, in that effective conflict resolution will build trust (Prasad & Aryasri, 2008; Leonidou, Talias, & Leonidou, 2008; Pesämaa & Hair Jr. 2008). How conflict management plays a role in affecting customer loyalty in the Tanzania telecommunication market is what the study aims on finding out.

2.4 Research Gap

Due to their widely understood importance to relationship marketing; trust, commitment, communication, and conflict handling have been widely studied in recent years. The connection between relationship marketing and customer loyalty has been well established in previous research (Palmatier et al, 2009; Pesämaa & Hair Jr., 2008; Louis & Lombart, 2010). However, the empirical results of current research also show that the relationship between the specific factors of trust, commitment, communication and conflict handling are not clear (Goo & Huang, 2008; Prasad & Aryasri, 2008). These elements are positively correlated to consumer loyalty, as a relationship can be observed between each of these factors and loyalty (Prasad & Aryasri, 2008; Louis & Lombart, 2010) and in some cases these elements negatively influence customer loyalty. However, the degree to which each of these factors influences loyalty and how they interact with each other is indistinct.

In a nutshell, observation from literature indicates that the association between RM practices and customer loyalty may vary based on the industry, macro-economic environment or even the characteristics of the customer. The relationship between the

independent and dependent variables has not yet been clarified in the telecommunication industry in Dar es Salaam and it is also not obvious as to which variables are more dominant if at all the relationship turns out to be positively significant. Therefore, it is vital to investigate the issues surrounding this subject and how these relationship-marketing practices influence customer loyalty especially within the local context.

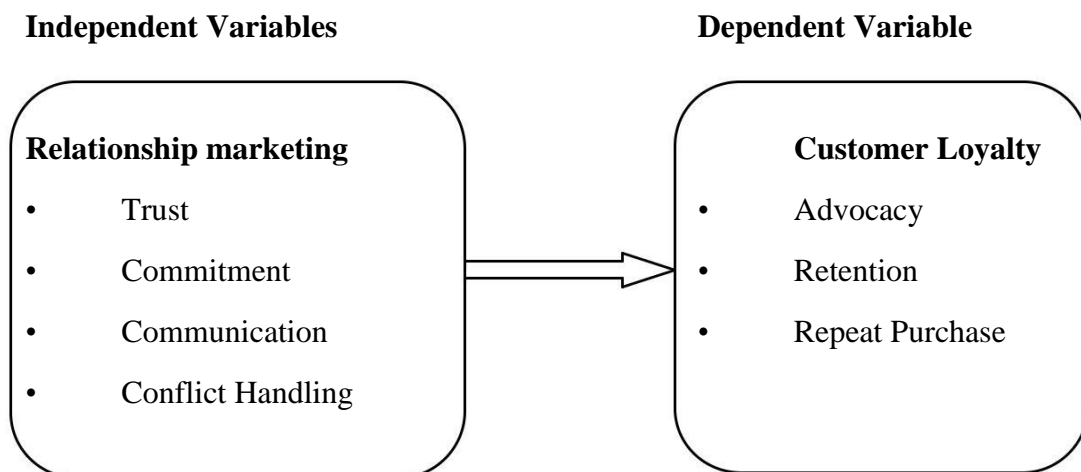
Given the current situation of the telecommunication industry in Tanzania, this study aims to highlight and give insight on which relationship marketing practices the customers value within the telecommunication industry and thus help the companies to formulate strategic marketing plans to retain customers either through research and development, staff training, branding or rebranding (Johnston, 2017) so as to appeal to the customer's tastes and preferences. This study therefore seeks to provide relevant information which will help the telecommunication companies and other stakeholders to have a firm understanding of these factors that will eventually enable them to make the best decisions in regards to relationship marketing strategies aimed at reducing customer defection.

Relationship marketing and customer loyalty have been widespread topics of study, yet the existing work also indicates that this is a topic of great complexity. This study aspires to contribute to previous research in the field by clarifying the aspects of relationship marketing and their role in consumer loyalty. The lack of understanding about the nuances of this relationship pose a significant gap in the research area, and it is the hope of this study to provide additional clarification on this matter.

2.5 Conceptual framework

Conceptual framework is defined as an element of the scientific research process in which a specific concept is defined as a measurable occurrence or in measurable terms that basically gives a clear meaning of the concept (Mugenda and Mugenda, 2010). The Conceptual Framework of this study is comprised of the independent variables and the dependent variable as shown in Figure 2.1. It has been designed to explain the relationship marketing factors influencing consumer loyalty. It illustrates activities connected to each of these elements.

Figure 2. 1: The influence of relationship marketing on customer loyalty



Source: Author (2018).

2.6 Operationalization

This subsection outlines how the researcher will measure the underpinnings of relationship marketing and customer loyalty.

Table 2. 1: Operationalization of Variables

Variable	Constructs	Operational	Variable	Constructs
Independent Variable: Relationship Marketing	Trust	The reliability of a partner’s word or promise to fulfill his or her duties in the Relationship	A Likert scale of five will be used to measure the constructs under the variable	Schurr & Ozanne, 1985; Moorman et al.,1992; Churchill and Surprenant1982
	Commitment	The persistent need		
	Communication	Being able to provide trustworthy information in a timely manner		

			constructs under the variable	
	Conflict Handling	Ability of the provider to avoid potential conflicts, solve apparent conflicts before they escalate and also be willing to discuss problems openly	A Likert scale of five will be used to measure the constructs under the variable	Oly Ndubisi, 2007; Husnain & Akhtar, 2016; Morgan & Hunt, 1994
Dependent Variable: Customer Loyalty	Advocacy	Viewed from perspectives such as number/percent of new customers, overall satisfaction, likelihood to recommend, likelihood to buy the same product, level of trust, willingness to forgive, willingness to consider	A Likert scale of five will be used to measure the constructs under the variable	Hayes, 2009; Soderlund, 2006
	Retention	Viewed from perspectives such as likelihood to stop purchasing, likelihood to switch to another supplier, likelihood to purchase from competitors	A Likert scale of five will be used to measure the constructs under the variable	Hayes, 2009; Morgan & Hunt, 1994b
	Repeat Purchase	Viewed from	A Likert scale of	Hayes, 2009;

		perspectives such as likelihood to buy different or additional products, likelihood to purchase more often, likelihood to purchase more expensive products and in larger quantities	five will be used to measure the constructs under the variable	Soderlund, 2006
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Source: Author (2018)

2.7 Chapter Summary

This chapter has discussed several relevant theoretical approaches to relationship marketing; commitment-trust theory, resource-based theory, and knowledge-based theory. These theories represent current ways of understanding consumer relations. The chapter also provided empirical analysis of the consumer relationship practices of trust, commitment, communication, and conflict handling. The research gap illustrates the need for increased understanding of the relationship between these factors and consumer loyalty. At its conclusion, the chapter presents a visual representation of the relationship marketing underpinnings influencing consumer loyalty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research methodology used in carrying out the study; it also contains the proposed research design, population, data collection methods, data analysis, research quality and finally the ethical consideration.

3.2 Research design

Research design is defined by Burns and Grove (2003) as a blueprint for conducting a study which goes hand in hand with Parahoo (1997) definition that states that research design is a plan that describes how, when and where data are to be collected and analyzed (Hishitongo, 2013). A descriptive survey design was applied for this study since the study aims at conducting the research from the customer's viewpoint and this method allowed for the collection of data on social characteristics that may be related to certain behavioral patterns or attitudes (Zurmuehlin, 1981). This method provides the means to contextually interpret and understand customer relationship marketing tactics on customer loyalty in the telecommunication industry plus the method serves as a unique and unbiased representation of population of interest (Owens, 2002). As asserted by Mugenda, (2010) a descriptive design and quantitative designs are considered to be strong for establishing relationships and suitable for studies that aim to analyze a phenomenon, situation, problem attitude or issue by considering a segment of the population at one point in time.

3.3 Population

According to Mugenda and Mugenda (1999), the population is an aggregate of all that conform to a given characteristic. The population for this study comprises of all mobile service users from the three major mobile network operators. There are 14,684,726 million mobile phone subscribers in Dar es Salaam who use TIGO, Vodacom and Airtel. As at 2018, Vodacom had 4,389,295 users, Tigo had 6,736,551 users and Airtel had 3,558,880 users.

3.4 Sampling design

Sampling is the ability of the research to select a representative portion of the selected population (Latham, 2007). The study employed stratified sampling and simple

random sampling methods. Simple random sampling because it allows each and every element of the population to have an equal chance of being selected in the sample and stratified random sampling because it allows for homogeneous subgroups to be formed (Alvi, 2016) which denotes that the sample is more likely to be representative (Kibeh, 2013b). Stratified random sampling method was applied after dividing the number of respondents into the three telecommunication companies and then selecting the respondents from the specific telecommunication companies at random.

The sample size was derived using Slovin's formula due to the fact that nothing is known about the population's behavior and thereafter was calculated with a 95% confidence level and error of 0.05 (Subianto & Hamsal, 2013):

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

Where:

n= sample size

N= total population

e = margin of error

$$n = \frac{14,684,726}{(1 + (14,684,726 (0.05 \times 0.05))}$$

$$n = \frac{14,684,726}{367,12.815}$$

$$n = 399.989$$

$$n \approx 400$$

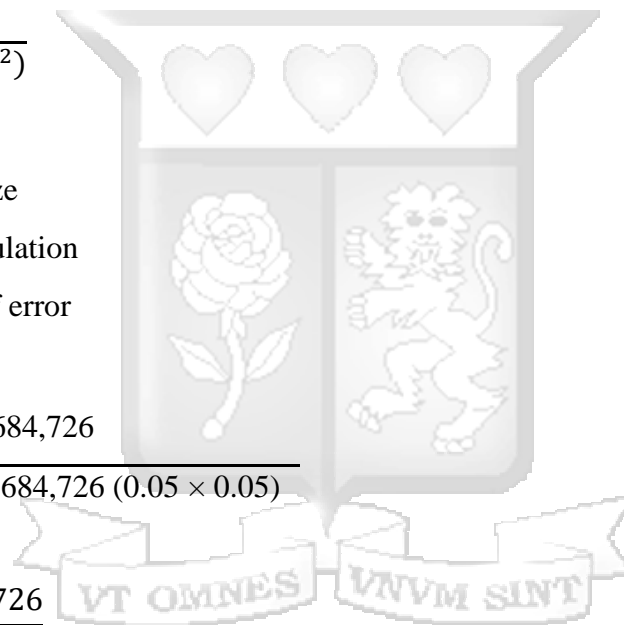


Table 3. 1: Apportioned sample size

Telecommunication Companies	Market Share in (%)	Sample	Rounded Figure
Vodacom	29.89%	119.56	120
Tigo	45.87%	183.48	183
Airtel	24.24%	96.96	97
TOTAL	100%	400	400

Source: Author (2018).

3.5 Data collection

The researcher collected primary data with the using a questionnaire. According to Cooper and Schindler (2010), a questionnaire is preferable because it is easy to administer. Unlike face-to-face interviews, questionnaires reduce biasness due to the fact that the researchers' own opinions would not influence the respondents to answer questions in a certain manner. Primary data was collected from the customers at the retail shops of the three largest telecommunication companies. Semi-structured questionnaires were used to collect empirical data by reason of their ability to accommodate a wide range of different responses. These questionnaires were distributed in person by the researcher and the researcher's assistants.

The questionnaires contained both open-ended and closed-ended items. The structured part of the questionnaire used a Likert scale to scale out the responses from the customers. The closed-ended items in the questionnaire were designed using a Likert scale of 1-5 where: 1 (Strongly disagree), 2 (Disagree), 3 (Not certain), 4 (Agree) and 5 (Strongly Agree). The items that were used for measuring the constructs were adopted from previous studies. Trust from Churchill and Surprenant (1982); communication, commitment and conflict handling from Morgan and Hunt (1994); and Hayes (2009) for loyalty.

The questionnaires were issued to the respondents through informal self-introduction with the aid of two research assistants. To ensure randomness the researcher gave out the questionnaires to every third customer leaving from the premises. The

questionnaires were presented to the respondents along with an introduction letter from the University. The respondents were then asked to fill in the questionnaire for about 5 to 10 minutes. Eventually the questionnaires were collected with the help of the research assistants. Each respondent received a set of similar questions.

The data collection process took place in the morning from 9am to 12pm for all the three-telecommunication companies. This means that the whole data collection process would be completed within three days.

3.6 Data analysis

The collected data from the questionnaires were sorted, checked and edited for comprehensiveness and consistency before analysis. The information was then keyed into the Statistical Package for Social Sciences (SPSS v.21.0) software. Data analysis techniques used included correlation and regression. Spearman's correlation analysis was used to establish the relationship between the independent variables and dependent variable and their findings while on the other hand; regression analysis was used to show the impact of each relationship marketing practice on customer loyalty.

Editing of responses is intended to identify and eliminate errors made by the interviewer or respondents (Mugenda and Mugenda, 2010). Descriptive statistics refers to simple statistical methods that do not support or falsify a relationship but help in the description of the data. With reference to this study, descriptive statistics enabled the researcher to organize data in an effective and meaningful way.

Regression model was as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Whereby: Y = Customer loyalty (Word of Mouth, Repeat Purchase, Retention), X1= Trust (T); X2= Commitment (C); X3= Communication (M); and X4= Conflict Handling (H); β_0 = Constant term

β_0 , β_1 , β_2 , β_3 and β_4 =Regression model coefficients values for independent variables **X1, X2, X3 and X4** respectively.

ε = Error Term.

3.6.1 Correlation coefficient (rs)

This method helps the researcher to determine the extent to which the two variable movements are associated. Correlation coefficient is usually within range of values between -1 and 1 (Huber Elvezio, 2009). Spearman correlation coefficient was selected for the correlation analysis due to the ordinal nature of the data.

A correlation of -1 indicates a perfect negative correlation while a correlation of 1 indicates a perfect positive correlation. One of 0 indicates no relationship. The closer the correlation coefficient is towards -1 or 1, the stronger the association between the variables (Huber & Elvezio, 2009).

3.6.2 Coefficient of determination (R²)

This enables the researcher explain how well the response variable variation is explained by the linear model. A model fits the data if the differences between the observed values and the predicted value of the models are small and unbiased (Allen, 2004). R² ranges from 0 to 1. The closer the R² is to 1, the better the model fits the data.

3.6.3 T-test

This enables the researcher to test whether the dependent variables are individually influenced by the independent variable. T-values can be obtained from the regression output and interpreted such that if the values are less than 0.01 they are significant and should be included in the model otherwise insignificant (Higgins, 2005).

Table 3. 2: Summary of data analysis method.

Item	Data analysis
Company Profile	Descriptive statistics
Objective 1 To establish the influence of trust on customer loyalty amongst in the telecommunication industry in Tanzania	Correlation analysis and regression analysis

<p>Objective 2</p> <p>To determine the influence of commitment on customer loyalty</p>	<p>Correlation analysis and regression analysis</p>
<p>Objective 3</p> <p>To analyze the extent to which conflict handling influences customer loyalty</p>	<p>Correlation analysis and regression analysis</p>
<p>Objective 4</p> <p>To investigate the influence of communication on customer loyalty</p>	<p>Correlation analysis and regression analysis</p>

Source: Author, (2018)

Research Quality is the degree to which research results can be accurately interpreted and generalized to other populations. It is the extent to which research instruments measure what they are intended to measure (Mugenda and Mugenda, 2010); on the other hand reliability is a measure of the test results' consistency. The reliability and validity of the questionnaire was conducted through a pilot test as supported by Cooper and Schindler (2010). Here, the supervisor and experts were engaged to check the questionnaire's suitability on the content and to establish all the probable areas that need amendments if any so as to achieve the objective of the study.

Pre-testing is of vital importance in this study for the reason that feedback from the respondents during pre-testing period helps to advance the quality of the questionnaire (Mugenda and Mugenda, 2010). Pre-testing is usually meant to disclose deficiencies like vague questions in the instruments which may be corrected thus improving the instrument.

Cronbach's alpha, the most universal measure of internal consistency (reliability) of a questionnaire was used. According to Mugenda and Mugenda, (2010), this method is frequently used when the study has multiple likert questions in a survey/questionnaire that form a scale like used in the study. Nunnally (1978) and many others recommend a minimum level of 0.60 as the cut-off point and this is what will be adopted for the study.

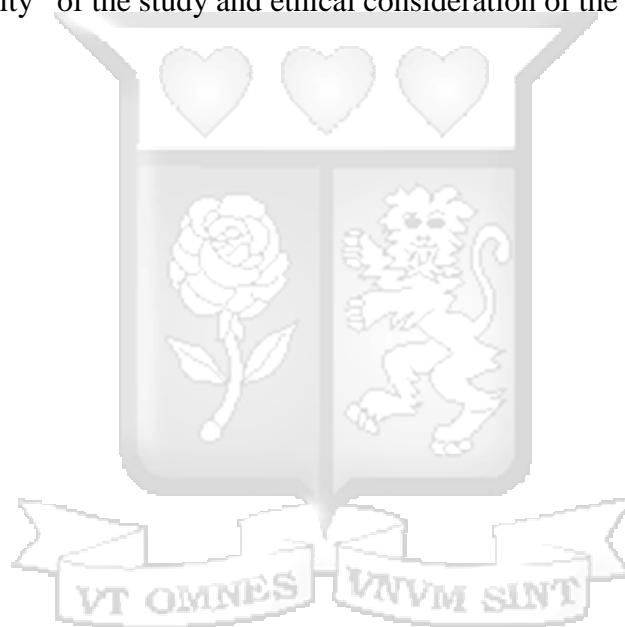
3.8 Ethical Considerations

The researcher obtained permission to collect data from Strathmore Business School-Strathmore University. A letter of introduction was issued by the university and this

enabled the respondents not to treat the researcher with suspicion. The researcher together with her assistants conducted the research with utmost regard to the ethical considerations according to (Kumar, 2005). To name a few, some of the ethical considerations concerning the research participants that were used include consent, confidentiality, avoiding giving incentives before collection of data, and on the other hand, the researcher together with the assistants made sure that the research was conducted without bias, inappropriate use of information or research methodology and also without incorrect reporting (Kumar, 2005).

3.9 Chapter summary

This chapter has discussed on the research design, data collection methods, data analysis, quality of the study and ethical consideration of the study.



CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the findings from the data collected and their interpretation in relation to the objective of the study that is to analyze the influence of relationship marketing on customer loyalty in the telecommunication companies in Dar es Salaam. The results are presented using the frequency table.

4.2 Response rate

The 400 questionnaires were filled out by the respondents as expected thus providing a 100% response rate. According to Mugenda and Mugenda (2003), a response rate of 50% and above is a good response rate for statistical reporting.

4.3 Reliability Test

Cronbach's Alpha was used to test the internal consistency of the data collected. A reliability test was conducted on the study variables, customer loyalty and relationship marketing respectively. From the analysis, the reliability coefficient of the study variables exceeded the minimum acceptable level of 0.70 (Nunnally, 1978). Table 4.1 shows that the Cronbach's Alpha value was 0.920 which implies that the reliability of the questionnaire is of a high level.

Most of the questions within the questionnaire after testing for reliability have proven to have grave importance to the questionnaire and that their absence would reduce the reliability of the questionnaire. In particular, all expect three questions have a Cronbach's Alpha of less than .920 as seen in Appendix 4 which translates to the fact that the absence of only three questions from the questionnaire would eventually lead to the increase of the questionnaire reliability. In other word, these three particular questions if deleted, would not affect the reliability of the questionnaire.

Table 4. 1: Cronbach’s Alpha reliability analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Number of Items
.920	.926	27

Source: Author (2018)

4.4 Descriptive Statistics

Quantitative data gathered during data collection was being treated by using SPSS version 22.0 for analysis and summarization purposes. Several techniques of analysis were used including correlation, T-Test and multiple regression. A summary of results of the descriptive analysis are shown on Table 4.2

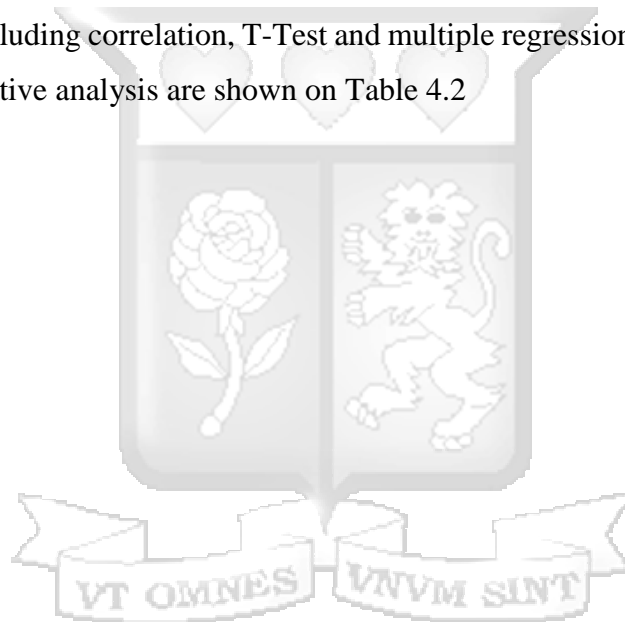


Table 4. 2: Descriptive Statistics of Respondents.

Variable	Classification	Frequency	Percentage
Gender	Male	202	50.5%
	Female	198	49.5%
Age of Respondents	18 – 28	122	30.5%
	28 – 38	126	31.5%
	38 – 48	110	27.5%
	48 and above	42	10.5%
Telecommunication Service Provider	Vodacom	120	30.0%
	Tigo	183	45.8%
	Airtel	97	24.3%
Customer Duration	Less than 1 Year	32	7.8%
	1 – 5 Years	185	46.1%
	6 – 10 Years	134	33.5%
	Over 10 Years	49	12.5%

Demographic data shows that the male respondents were slightly more than the female respondents by 1%. The male respondents constituted to 50.5% of the population while the female respondents constituted to 49.5% of the population. Only 10.5% of the

population was above 48 years of age and a majority of the customers indicated that they have been with their respective telecommunication company between 1-10 years (79.6%).

4.5 Inferential Statistics

This section aimed at establishing the relationship between the independent variables and the dependent variable. To achieve this, the study carried out an inferential analysis which included Spearman's coefficient of correlation, coefficient of determination and regression analysis.

4.5.1 Spearman's Correlation Analysis

While attempting to portray the relationship between the study variables and their findings the researcher utilized the Spearman's coefficient of correlation (r_s). Correlation coefficient ranging from 0.00 - 0.19 signifies a very weak correlation, 0.20 - 0.39 signifies a weak correlation, 0.40-0.59 signifies a moderate correlation, 0.60-0.79 signifies a strong correlation and 0.80-1.0 signifies a very strong correlation.

4.5.1.1 Spearman's Correlation Analysis of Trust and Customer Loyalty

Based on the correlation analysis of trust and customer loyalty in the study, results show that there is a strong positive relationship between the two with a correlation coefficient value of 0.720 at 0.01 level of significance and a p value of 0.000 as indicated on table 4.3. This result goes hand in hand with many studies where trust is seen to have a positive effect on customer loyalty (Morgan and Hunt, 1994; Christopher et al., 1991; Ndubisi, 2007) and this is due to the belief factor that comes from the customers which tends to have a long term effect on the brand (Aydin, Özer & Arasil, 2005). Additionally, trust has also been identified as a precursor of commitment (Morgan and Hunt 1994) in relation to customer loyalty mainly due to the fact that commitment involves sacrifice and vulnerability and for one to be able to do any of the two or both, trust must be present (Garbarino & Johnson 1999).

Table 4. 3: Spearman’s Correlation Analysis of Trust and Customer Loyalty

			Influence of trust on Customer Loyalty	Customer Loyalty
Spearman's rho	Influence of Trust on Customer Loyalty	Correlation Coefficient	1.000	.720**
		Sig. (2-tailed)	.	.000
		N	400	400
	Customer Loyalty	Correlation Coefficient	.720**	1.000
		Sig. (2-tailed)	.000	.
		N	400	400
**. Correlation is significant at the 0.01 level (2 tailed).				

Source: Survey data

4.5.1.2 Spearman’s Correlation Analysis of Commitment and Customer Loyalty

The second objective of the study was to analyze the influence of commitment on customer loyalty. Correlation analysis results on table 4.4 indicate that commitment and customer loyalty have a strong positive relationship with a correlation coefficient value of 0.686 at 0.01 level of significance and a p-value of 0.000. Previous studies have shown a positive association between commitment and customer loyalty (Morgan and Hunt, 1994; Omidinia and Sepahyar, 2014; Ndubisi, 2007).Controversies around the relationship between commitment and customer loyalty have led some researchers to believe that there is no difference between the two (Hennig et al., 2004) and some

that commitment is an antecedent of customer loyalty (Kelly, 2000, Morgan and Hunt, 1994, Shabbir et al., 2007).

In addition, commitment has also played a mediating role (Hennig et al., 2004, Morgan and Hunt, 1994) with antecedents to result to customer loyalty. Moreover, in some studies commitment has been regarded as a global construct such as in this study but it is important to note that commitment has four components namely normative, positive calculative, negative calculative and affective. All these four components have a different effect on how one relates to the customer (Haghkhalah et al., 2013).

Table 4. 4: Spearman’s Correlation Analysis of Commitment and Customer Loyalty

			Influence of Commitment on Customer Loyalty	Customer Loyalty
Spearman's rho	Influence of Commitment on Customer Loyalty	Correlation Coefficient	1.000	.686**
		Sig. (2-tailed)	.	.000
		N	400	400
	Customer Loyalty	Correlation Coefficient	.686**	1.000
		Sig. (2-tailed)	.000	.
		N	400	400

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

Source: Survey data

4.5.1.3 Spearman’s Correlation Analysis of Communication and Customer Loyalty

Table 4.5 signifies that communication has a strong positive relationship with customer loyalty with a correlation coefficient of 0.720 and a p value of 0.000. To further cement the results that communication does indeed have a positive influence on customer loyalty Adjei, Noble, & Noble (2010) have identified that customer

retention whether of experienced or inexperienced customers can be achieved through online brand communities rather than company websites which tend to be biased. This has come as a result of the growing popularity of the internet where more and more customers are currently relying on the internet for their source of information before they make a purchasing decision (Adjei, Noble, & Noble, 2010). On that note management should have open communication channels with employees who are at the frontline service if they want to provide optimal value to their customers.

Frontline service providers play a more crucial role because they tend to know more about what the customer really wants (Ndubisi et al., 2008) hence the need for their involvement. On the other hand two-way communication can have a statistically significant negative influence on customer loyalty with customer relationship management as an intervening variable. This has been apparent in the short term life insurance companies in South Africa where results showed the relationship between the two to be significant at $p = 0.019$ and this is because of effective conflict handling which reduces the need to have two way communication (Ndubisi et al., 2008).

Table 4. 5: Spearman’s Correlation Analysis of Communication and Customer Loyalty

			Influence of Commitment on Customer Loyalty	Customer Loyalty
Spearman's rho	Influence of Commitment on Customer Loyalty	Correlation Coefficient	1.000	.720**
		Sig. (2-tailed)	.	.000
		N	400	400
	Customer Loyalty	Correlation Coefficient	.720**	1.000
		Sig. (2-tailed)	.000	.
		N	400	400
		**. Correlation is significant at the 0.01 level (2-tailed).		

Source: Survey data

4.5.1.4 Spearman's Correlation Analysis of Conflict Handling and Customer Loyalty

Table 4.6 illustrates that there is a strong positive relationship between conflict handling and customer loyalty. Conflict handling has a correlation coefficient value of 0.690 at 0.01 level of significance with a p-value of 0.000. Conflict handling in previous studies has also had a positive influence on customer loyalty (Negi & Ketema, 2010; Kulet, 2017) while Chakiso, (2015) found that conflict handling has an insignificant and negligible effect on customer loyalty in the cumulative model.

Some studies have pointed out the crucial impact of pre-existing attitude of the customers towards the company when it comes to handling conflicts. Customers with a pre-existing positive attitude towards the company are said to respond favorably in the event a conflict arises while customers with pre-existing negative attitude towards a company tend to be less responsive during conflict management (Mazaher, Basil, & Yanamandram, 2011). This is in contrast to Mattila, (2004) who discovered that customers with lower levels of emotional bonding tend to more forgiving when a conflict is properly handled and vice versa. All these controversies around commitment bring the much needed effort for management to conduct research in their respective fields to see how best manage conflicts among their customers.

Table 4. 6: Spearman's Correlation Analysis of Conflict Handling and Customer Loyalty

			Influence of Commitment on Customer Loyalty	Customer Loyalty
Spearman's rho	Influence of Commitment on Customer Loyalty	Correlation Coefficient	1.000	.720 ^{**}
		Sig. (2-tailed)	.	.000
		N	400	400
	Customer Loyalty	Correlation Coefficient	.720 ^{**}	1.000
		Sig. (2-tailed)	.000	.
		N	400	400
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Survey data

4.5.1.5 Spearman's Correlation Analysis of Relationship Marketing and Customer Loyalty

To summarize, all the independent variables analyzed have a strong positive influence on customer loyalty (the dependent variable) at varying degrees and of the four independent variables, trust and communication are highly correlated with customer loyalty compared to conflict handling and commitment. In many cases when the four variables are analyzed together against customer loyalty, trust and commitment tend to emerge superior to communication and conflict handling.

Table 4. 7: Spearman's rho correlation coefficients and t-test of variables

Independent Variable	Dependent Variable	N	Spearman's Rho Correlation (rs)	Level of Significance
Trust	Customer Loyalty	400	0.720	0.000
Commitment	Customer Loyalty	400	0.686	0.000
Communication	Customer Loyalty	400	0.720	0.000
Conflict Handling	Customer Loyalty	400	0.690	0.000

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

Source: Survey data

4.5.2 ANOVAa

The Analysis of Variance (ANOVAa) is a statistical tool used to detect differences between experimental group means (Sawyer, 2009). In this study, the ANOVA results indicate that the overall model is significant; as at 5% level of significance, the F calculated is greater than the F critical of 175.907. Moreover, the p value of 0.000 that is less than 0.05, also confirms that the overall model is significant.

Table 4. 8: ANOVA Analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	158.512	4	39.628	175.907	.000 ^b
	Residual	88.985	395	.225		
	Total	247.497	399			

a. Dependent Variable: Customer loyalty

b. Predictors: (constant), Influence of trust on customer loyalty, Influence of commitment on customer loyalty, Influence of Communication on customer loyalty, Influence of conflict handling on customer Loyalty

Source: Survey data

4.5.3 Regression Analysis

The regression analysis conducted examines whether each relationship marketing practice or dimension affects customer loyalty. The regression model is significant at the 0.05 level. The regression analysis summarized in Table 4.9 below shows the results of the regression analysis.

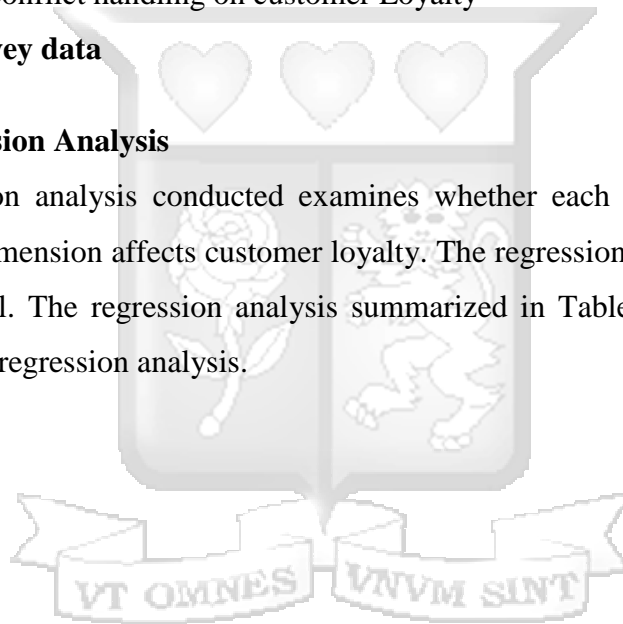


Table 4. 9: Regression analysis of Relationship Marketing and Customer loyalty

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.586	.091		6.466	.000	.408	.764
Influence of trust on Customer Loyalty	.232	.057	.261	4.074	.000	.120	.345
Influence of commitment on customer loyalty	.134	.058	.142	2.292	.022	.019	.248
Influence of Communication on customer loyalty	.244	.050	.281	4.842	.000	.145	.344
Influence of conflict handling on customer loyalty	.160	.047	.185	3.413	.001	.068	.252
a. Dependent Variable: Customer-Loyalty							

Source: Survey data

4.5.3.1 Regression Analysis of Trust and Customer Loyalty

As illustrated in Table 4.9, the model shows a statistically significant positive relationship between trust ($\beta=0.232$, $p<0.05$) and customer loyalty such like in the case of Lau & Lee (1999) where trust also has a positive relationship on customer loyalty. Special consideration should be taken into brand characteristics for them to build up customer trust (Lau & Lee, 1999). Furthermore, Pan et al., (2012) states that the effects of trust on loyalty are less eminent when products are purchased regularly and on a short purchase life cycle.

4.5.3.2 Regression Analysis of Commitment and Customer Loyalty

Table 4.9 signifies a statistically significant positive relationship between commitment ($\beta=0.134$, $p<0.05$) and customer loyalty. Other similar studies where regression analysis has been used, results have also shown commitment to have a positive relationship with customer loyalty (Jang, Olfman, Ko, Ko, & Kim, 2008). Different components of brand commitment may at times have a different effect on the different aspects of brand loyalty (Fullerton, 2009) which means that depending on the brand goals, it is wiser not to look at commitment as a whole but by its specific components. On the other hand, other studies have shown commitment to have a negative effect on customer loyalty (Roberts-Lombard et al., 2012) quite a number have shown similar results to this study (Bricci et al., 2016; Mattila, 2006).

4.5.3.3 Regression Analysis of Communication and Customer Loyalty

Results from the regression analysis have shown that communication does indeed have a positive and significant relationship with customer loyalty ($\beta=0.244$, $p<0.05$) similar to (Ndubisi, 2007). Other studies have used multiple regression analysis to measure the relationship between the two constructs such as Ndubisi, Wah, & Ndubisi, (2007) where the results still indicate that there is a significant positive relationship between communication and customer loyalty. It is not common for brands or companies to communicate to their customers on customer outcomes after customers have experienced service failure whether these customers have taken the initiative to complain or not. Studies have shown that it is very important to have public relations communication on customer outcomes because they tend to increase word of mouth and repurchase intentions of customers who now have a higher perception towards their brands (Vaerenbergh, Larivière, & Vermeir, 2012).

4.5.3.4 Regression Analysis of Conflict Handling and Customer Loyalty

The regression analysis results indicate that conflict handling has a statistically significant positive relationship with customer loyalty ($\beta=0.160$, $p<0.05$) which concurs with the results from Jesri, Ahmadi, & Fatehipoor, (2013); Ndubisi et al., (2008) and Kulet, (2017). In another study conflict handling has emerged superior to trust and commitment (Gedefaw, 2014) which normally take the front seat when it comes to order of importance. In addition, service recovery performance like making apologies, being courteous, solving problems and many more acts are said to positively

influence the customer's repurchase intent but the case tends to be different when repeated service failure is more severe and frequent (Hui, 2007).

4.5.4 Regression Analysis of Relationship Marketing and Customer Loyalty

From the regression model, the following regression equation was derived (refer to Table 4.9):

$(Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon)$ becomes:

$$Y = 0.586 + 0.232T + 0.134C + 0.244M + 0.160H$$

Whereby:

Y = Customer loyalty

T = Trust

C = Commitment

M = Communication

H = Conflict Handling

β_0 = Constant term

ϵ = Error Term.

Trust, communication and conflict handling contribute significantly to customer loyalty compared to commitment. Studies that have analyzed the constructs using multiple regression analysis have also shown a statistically significant relationship with customer loyalty (Taleghani, Gilaninia, & Mousavian, 2011). The results in Table 4.10 also indicate that the regression model is statistically significant with a p-value of 0.000 and explains 63.7% of the variation in customer loyalty. Based on these results it can be concluded that the telecommunication companies' customers tend to be loyal when the telecom companies are trustworthy, committed to service, communicate effectively and also when they handle conflicts well.

The model shows a statistically significant positive relationship between trust ($\beta=0.232$, $p<0.05$) and customer loyalty, a statistically significant positive relationship between commitment ($\beta=0.134$, $p<0.05$) and customer loyalty, a statistically significant positive relationship between communication ($\beta=0.244$, $p<0.05$) and customer loyalty and a statistically significant positive relationship between conflict handling ($\beta=0.160$, $p<0.05$) and customer loyalty. Refer to Table 4.9.

Furthermore the model gives a positive coefficient for each independent variable, indicating that the four independent variables; commitment, trust, communication, and

conflict handling positively influence customer loyalty. That is, a unit increase of the independent variables leads to an increase in the dependent variable. The regression results indicate that when trust, commitment, communication, and conflict handling have a null unit, then customer loyalty would increase by 0.586 units. A unit increase in trust, would yield a 0.232 unit increase customer loyalty; a unit increase in commitment, would yield a 0.134 unit increase in customer loyalty, a unit increase in communication, would yield a 0.244 unit increase in customer loyalty while a unit increase in Conflict Handling would yield a 0.160 unit increase customer loyalty. Refer to Table 4.9.

Table 4. 10: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.800	.640	.637	.47464	.640	175.907	4	395	.000

a. Predictors: (Constant), Influence of conflict handling on customer loyalty, Influence of commitment on customer loyalty, Influence of Communication on customer loyalty, Influence of trust on Customer Loyalty

Source: Survey data

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter focuses on the interpretations and implications of the study based on the research questions and objectives. The purpose of this study was to establish the influence relationship marketing on customer loyalty in the telecommunication industry in Dar es salaam, Tanzania. The chapter is structured as follows; discussions of the findings, conclusion, recommendations as well as the limitations of the study and areas of further study.

5.2 Discussion of findings

This section provides the discussion of findings based on the study objectives.

5.2.1 Influence of trust on customer loyalty

The study revealed that there is a positive significant relationship between trust and customer loyalty ($\beta=0.232$, $p<0.05$) and that for every unit increase of trust, customer loyalty increases by 0.232 units. Moreover, trust and communication seemed to rank at the top as the most important variables as perceived by the customers ($r_s= 0.720$) compared to commitment and conflict handling. These results support previous studies that affirm that trust is the most important relationship marketing practice in many industries including the telecommunication industry (Morgan & Hunt, 1994; Damtew, 2013; Sarwar, Abbasi, & Pervaiz, 2012). RM theories such as the commitment and trust theory (Morgan & Hunt, 1994) have also been developed to emphasize on the importance of trust when trying to achieve customer loyalty. On the other hand other studies have shown trust to have no significant relationship on customer loyalty (Roberts-Lombard, Strachan, & Du Plessis, 2013).

As much as numerous studies have indicated that trust and commitment go hand in hand when it comes to influencing customer loyalty (Morgan & Hunt, 1994); in this study communication seemed to be of equivalent significance to trust ($r_s= 0.720$). This implies that the customers in the Tanzania Telecommunication industry would be more obliged to stay loyal to their respective telecoms company when they feel that the company is trustworthy and communicates timely rather than if they were trustworthy and committed to their services. Other studies have gone further to test the

person to person and person to firm effects of trust on customer loyalty and have discovered that person to person trust has a stronger influence on customer loyalty than person to firm (Sun & Lin, 2010). The integration of the seller's characteristics and customer characteristics is an area that the Tanzania Telecoms industry could exploit in depth so as to enhance their customer relationships.

5.2.2. Influence of commitment on customer loyalty

Results from the analysis showed that commitment had a statistically significant positive relationship with customer loyalty ($\beta=0.134$, $p<0.05$). These results differ with some studies that reveal that commitment has a negative significant relationship to customer loyalty (Roberts-Lombard, Strachan, & Du Plessis, 2013). On the other hand, these results concur with other studies that have also found commitment to have a positive significant relationship on customer loyalty (Bricci, Fragata, & Antunes, 2016). The results further reveal that the customers within the three telecommunication companies view commitment as the least popular of the four relationship marketing practices ($r_s = 0.686$). This revelation also contradicts a number of studies that have identified commitment as the key variable in relationship marketing (Omidinia & Sepahyar, 2014) and a practice that is often times used in unison with trust (Morgan & Hunt, 1994).

These variations in findings could be associated to a number of factors one of them being that there are different dimensions of commitment which may eventually mislead managers into thinking that everyone will react in the same way to commitment improvement efforts (Lariviere, L. Keiningham, Cooil, Aksoy, & C. Malthouse, 2014).

5.2.3. Influence of communication on customer loyalty

Communication has stood out as one of the leading practices of relationship marketing from this study ($r_s = 0.720$) with a positive significant relationship ($\beta=0.244$, $p<0.05$) with customer loyalty. This study concurs with other studies that have found communication to have a positive significant relationship with customer loyalty (Ndubisi, 2007; Kibeh, 2013). Moreover the study reveals that for every unit increase of communication increases customer loyalty by 0.244 units.

Timely communication seems to be of priority to the customers of the Tanzania telecoms industry. Hence the companies should work to improve on that area although these companies need to be keen on the type of communication they focus on. Communication that focuses on cheaper price options will always attract passive customers while communication that focuses on rich information tends to attract active customers (Awan & Said, 2011).

5.2.4 Influence of conflict handling on customer loyalty

Conflict handling at ($\beta=0.160$, $p<0.05$) showed a positive significant influence with customer loyalty. A similar finding is also made on other studies (Kulet, 2017). The third most preferred Relationship marketing practice ($r_s = 0.690$) by the respondents is conflict handling. There are other studies that have had conflict handling as the main contributor to customer loyalty (Gedefaw, 2014) while others have seen conflict handling to have a statistically insignificant and negligible role on customer loyalty (Chakiso, 2015). The study further reveals that for every unit increase of conflict handling customer loyalty increases by 0.160 units.

All in all, firms need to be keen when it comes to managing conflicts. Preventing potential conflicts would be the ideal strategy but also solving them diplomatically would also enhance their customer loyalty.

5.3 Conclusion

These research findings have crucial implications towards enabling entrepreneurial leadership in Tanzania's telecommunication industry and in particular the management of Vodacom, Tigo and Airtel. The results of the study show that there is a strong positive relationship between relationship marketing and customer loyalty. The regression model chosen was able to explain this relationship up to 63.7%. In ranking each independent variable construct according to order their importance based on the results, trust and communication both ranked at the top ($r_s= 0.720$) followed by conflict handling ($r_s= 0.690$) and lastly commitment ($r_s= 0.680$) This is an indication that the customers within the telecommunication companies (in order of importance) value most the trustworthiness of the telecom company and its ability to communicate in a timely manner, the way the company handles its conflicts and lastly how committed the leadership, management and staff are to providing value to the customers.

These findings are crucial towards addressing important challenges and opportunities related to transforming Tanzania's telecommunication sector through sensitizing its leadership in order to enhance their entrepreneurial capacity. In particular the leadership should invest time, effort and resources in the relationship marketing aspects of enhancing trust, communication and conflict handling in their service provision, in that order of importance.

5.4 Recommendations

These findings are crucial towards addressing important challenges and opportunities related to transforming Tanzania's telecommunication sector through sensitizing its leadership in order to enhance their entrepreneurial capacity. To achieve a competitive advantage the leadership in particular that of Vodacom, Airtel and Tigo should primarily integrate relationship marketing strategies into their overall strategic planning geared towards building long term customer loyalty and growing their market share and profitability among other key performance indicators. This involves the leadership investing their time, effort and resources in the relationship marketing aspects of enhancing trust, communication and conflict handling as opposed to commitment in their service provision, in that order of importance.

The findings also imply that the top management of telecommunication companies should work on improving their staff retention rate particularly those handling customer service and marketing. Entrepreneurial leadership through innovation and excellent performance requires such caliber of staff to be motivated, committed and well trained. Staffs play a key role in customer retention since some customers tend to be loyal due to the good relationship that they have with the company staff. On the other hand, it would be costly for the companies to train new staff regularly which in turn slows down relationship marketing efforts.

In addition, transactional marketing programs should not be completely written off with the growing popularity of the relationship marketing since future intentions of customers are determined by different factors. For instance, transactional marketing focused on managing satisfaction is more effective towards low relational customers while relationship-marketing programs in particular, trust and commitment should be aimed at high relational customers (Garbarino & Johnson 1999). It is better to maintain

some of the transactional marketing methods with the intention of converting such customers into loyal customers in the near future.

Furthermore, the internet has helped to bridge the gap between experienced and inexperienced customers by providing platforms where customers can discuss about their experiences (Adjei, Noble, & Noble, 2010) and eventually these positive experiences entice other customer purchase behavior. Management should therefore put more focus on their online brand presence to help convert the low relational customers to high relational customers. Online presence presents a competitive advantage for the company since the knowledge gathered from their customers enables them to practice effective communication, improve on their conflict handling methods and win the trust of the customers and develop better quality products and services.

According to Kotler and Keller, (2006), customers who are satisfied with the way their complaints have been resolved become more loyal compared to those who have never been dissatisfied. This information is crucial for management and junior employees to take note when it comes to handling conflicts. The study depicts that customer especially the highly relational ones find more value in conflicts that have been well resolved than when they have never faced any problems with the company.

There are other related players in Tanzania's telecommunication industry as well as different regions that were not covered where such studies would provide a broader understanding to this concept of the influence of relationship marketing on customer loyalty. Of particular interest among other interrelated players in Tanzania's telecommunication sector are the agents, big and small, who interface directly with the customers of the main mobile service providers Vodacom, Tigo and Airtel. Reports show that there are roughly 495,586 mobile agents in Tanzania as of 2016 (Guardian, 2017). Not all the agents are dedicated agents. Many of them are involved in small scale trading; chain stores, microfinance services and even some are bank branches (GSMA report, 2014).

Basic agent operations include new user registration, m-wallet cash in and m-wallet cash out as well as mobile money service and supporting the subscribers. It is important to note that there is a little overlap between mobile money agents and mobile money merchants (Saxena, 2016). In particular it would be of interest to conduct a similar research to this one based on RM and CL, to establish the challenges and

opportunities and how entrepreneurial leadership can improve the business of these agents who offer direct services to the clientele of the main mobile service providers. The practices of these agents have an implication on how loyal customers are going to be to the telecom companies. This means that there is a need to pay more attention to these independent agents and equip them with the necessary skills that would eventually make their customers more loyal to them.

Lastly, telecom companies should also work to improve on their information technology systems so that they can have a clear picture of their customer characteristics and thus form proper RM strategies around them.

5.5 Limitations of the Study

One of the major limitations of the study was language barrier. Most of the mobile subscribers were not conversant in English so the researchers had to translate the questionnaires most of the time and this made the data collection process take longer than expected. There was also the issue of financial constraints which made the researcher to only focus on the Dar es Salaam region.

5.6 Areas of further research.

It is important to note that the study only focused on the two study variables and their constructs, implying there is room for other studies to explore other variables. The regression model only explained the relationship by 63.7% that leaves the possibility of additional independent variables to further explain this association. Not all relationship-marketing practices were included in the study. Relationship marketing is broad and one can conduct a similar study using a different set of independent variables.

In particular it would be of interest to conduct a similar research to this one based on RM and customer loyalty, to establish the challenges and opportunities and how entrepreneurial leadership can transform the businesses of these agents who offer direct services to the clientele of the main mobile service providers.

The study focused only on Dar es Salaam. A similar research can be conducted in other regions. The scope can also be broadened to include all the existing telecommunication companies since the study only focused on the three major telecommunication companies in Tanzania.

Moreover, the study used Spearman's correlation coefficient unlike many other studies that have used Pearson's correlation coefficient for correlation analysis (Mishra & Saurikhia, 2010). A similar study with a different approach to its methodology can also make a study unique.

In addition, future research can look into the particular components of trust, commitment, communication and conflict handling and their relation to customer loyalty. As seen from the study, some of these components vary in terms of the way they influence customer loyalty and this could be great insight for the policy makers in the industry.

Further research on whether customers with weak bonds or those who respond well to transactional marketing programs can be converted to relational customers with the emphasis of trust and commitment.



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APPENDICES

Appendix One: Introduction Letter

24th April 2018

To whom it may concern.

RE: REQUEST FOR PARTICIPATION AS A RESPONDENT IN MY RESEARCH STUDY.

I am a Master of Commerce (MCOM) student at Strathmore University in Nairobi, Kenya. I am currently conducting a study titled **“Influence of relationship marketing on customer loyalty in the telecommunication industry in Dar es Salaam.”** This study is in partial fulfillment of the requirement of my master’s study and this letter is to request your institution to participate in my study by allowing me to give out my questionnaire to your customers for data collection purposes.

This study will help the participants in the telecommunication industry to understand how relationship-marketing tactics influence customer loyalty and best to make decisions so as to retain customers. The study ensures confidentiality of the respondents and their responses throughout the whole process. A full report of this study can be made available to you at your request. I look forward to your participation.

Thank you.

Wende Robert Mhidze



Appendix Two: Questionnaire

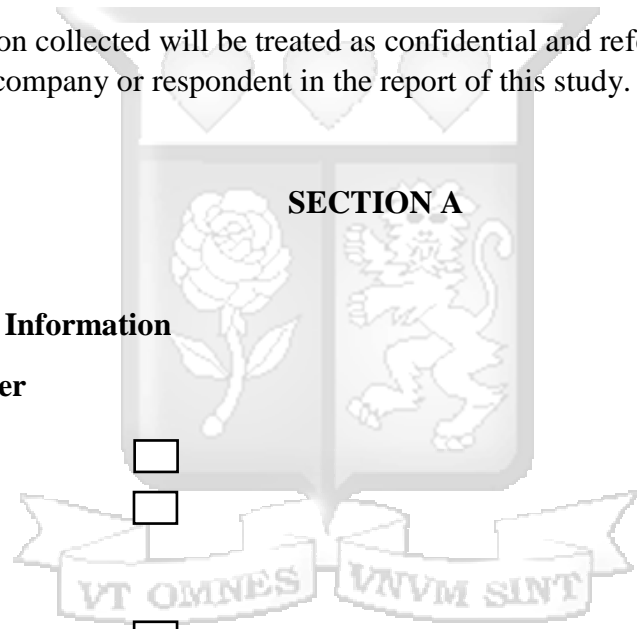
Instructions

This questionnaire is a data collection tool for the study, **“Influence of relationship marketing on customer loyalty in the telecommunication industry in Dar es salaam.”**

Kindly answer the questions by putting a tick in the appropriate box or by writing in the space provided.

Confidentiality

All information collected will be treated as confidential and reference will not be made to any company or respondent in the report of this study.



SECTION A

Background Information

1. Gender

Male

Female

2. Age

18 – 28 years

28 – 38 years

38– 48 years

48 and above

3. Which company have you been a customer to?

Vodacom

Tigo

Airtel

4. For how long have you been a customer of this company?

Less than 1 year

1-5 years

6-10 years

Over10 years



SECTION B

Relationship marketing practices

The following statements relate to relationship marketing practices in the telecommunication industry in Tanzania. Kindly indicate the extent to which you agree or disagree with the statements on a Likert scale of 1-5 by ticking in the appropriate space.

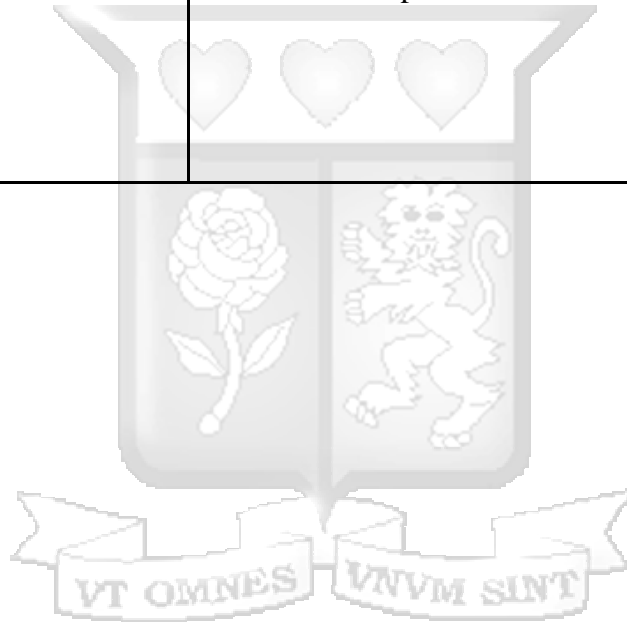
The number labels mean; **1 strongly disagree, 2 disagree, 3 somehow agree, 4 agree, 5 strongly agree**

Statement			Scale				
			1	2	3	4	5
1.	Influence of trust on Customer Loyalty	1. My telecommunication company's promises towards customers are Reliable					
		2. My telecommunication company fulfills its obligations to customers					
		3. I have confidence in my telecommunication company's services.					
2	Influence of commitment on customer loyalty	1. My telecommunication company makes adjustments to suit my Needs					
		2. My telecommunication company offers personalized services to meet customer needs					

		3. My telecommunication company is flexible when its services are changed					
		4. My telecommunication company is flexible in serving my needs					
3	Influence of communication on customer loyalty	1. My telecommunication company provides timely and trustworthy information to customers					
		2. My telecommunication company constantly updates us on their Services					
		3. My telecommunication company communicates positive information about itself to customers					
		4. My telecommunication company makes a follow up on customer feedback					
4	Influence of conflict handling and customer loyalty	1. My telecommunication company tries to avoid potential conflict with Customers					
		2. My telecommunication company tries to solve manifest conflicts with customers before they create problems					

		3. My telecommunication company is flexible when its services are changed					
		4. My telecommunication company is flexible in serving my needs					
3	Influence of communication on customer loyalty	1. My telecommunication company provides timely and trustworthy information to customers					
		2. My telecommunication company constantly updates us on their Services					
		3. My telecommunication company communicates positive information about itself to customers					
		4. My telecommunication company makes a follow up on customer feedback					

4	Influence of Conflict handling and Customer	1. My telecommunication company tries to avoid potential conflict with Customers					
	Loyalty	2. My telecommunication company tries to solve manifest conflicts with customers before they create problems					



SECTION C

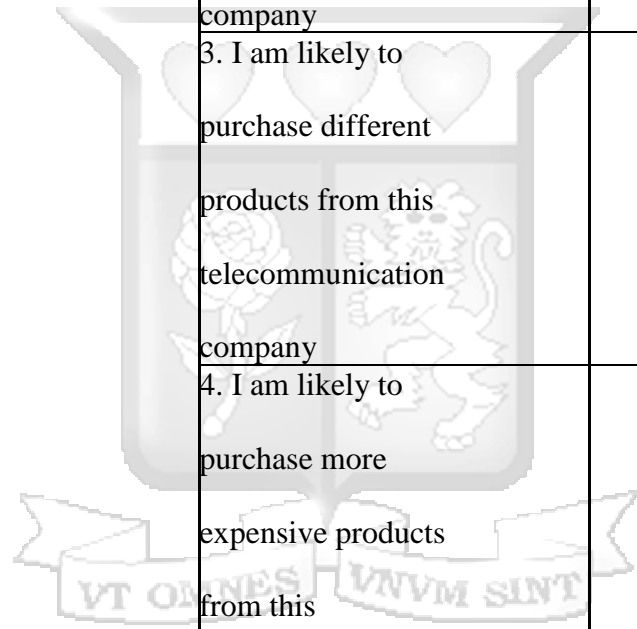
Customer loyalty

The following statements relate to customer loyalty in the telecommunication industry. Kindly indicate the extent to which you agree or disagree with the statements on a Likert scale of 1-5 by ticking in the appropriate space.

The number labels mean; **1 strongly disagree, 2 disagree, 3 somehow agree, 4 agree, 5 strongly agree**

Customer loyalty			1	2	3	4	5
1.	Advocacy	1. I am satisfied with the services provided by my Telecommunication Company					
		2. I am likely to recommend your products to other telecommunication companies' customers					
		3. I am likely to purchase other products from you					
2	Retention	1. I am likely to switch to another telecommunication company					
		2. I am likely to purchase from your Competitors					
		3. I am likely to stop purchasing from this telecommunication company					
3	Repeat Purchase	1. I am likely to					

		purchase more often from this telecommunication company					
		2. I am likely to increase purchases from this telecommunication company					
		3. I am likely to purchase different products from this telecommunication company					
		4. I am likely to purchase more expensive products from this telecommunication company					



SECTION E

General views

In your view, what should the mobile telecommunication companies do to strengthen its relationship with the customers?

.....

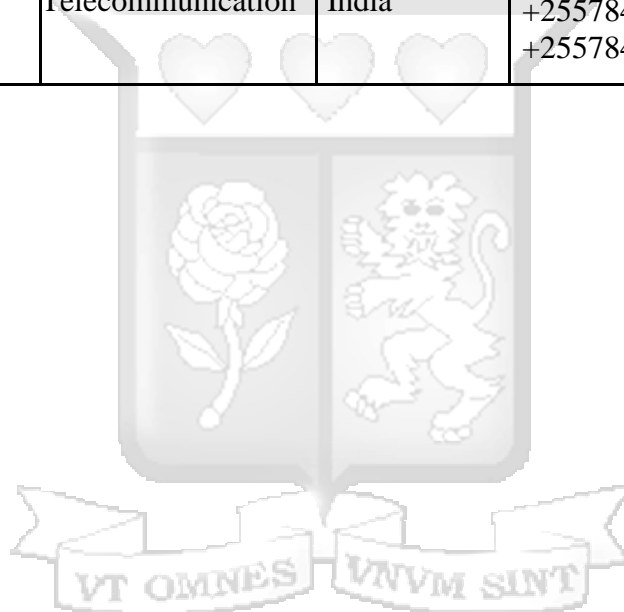
.....

Thank you for your participation!



Appendix Three: List of the Telecommunication Companies in Tanzania

Company	Sector	Country of origin	Contact
Vodacom	Telecommunication	South Africa	Customercare@vodacom.co.tz +255754705000
Tigo	Telecommunication	Sweden	Customercare@tigo.co.tz +255716123103
Airtel	Telecommunication	India	helpdesk@tz.airtel.com +2557841030011/ +255784254860



Appendix Four: Item-Total Statistics

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.920	.926	27

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
For how long have you been a customer of this company?	72.24	198.270	.062	.	.923
My telecommunication company's promises towards customers are reliable	71.72	179.600	.851	.	.912
Age of a Respondent	72.54	202.144	-.100	.	.927
Which is your telecommunications service provider?	72.79	198.762	.050	.	.923
My telecommunication company fulfills its obligations towards me	71.76	179.303	.842	.	.912
I have confidence in my telecommunication company's services	71.72	178.322	.851	.	.911
My telecommunication company makes adjustments to suit my needs	71.75	179.758	.850	.	.912
My telecommunication company offers personalized services to meet my needs	71.78	180.520	.807	.	.912
My telecommunication company is flexible in serving my needs	71.79	179.727	.859	.	.912
My telecommunication company provides timely and trustworthy information to me	71.72	178.889	.867	.	.911
My telecommunication company	71.70	177.726	.837	.	.911

constantly updates us on their services					
My telecommunication company communicates positive information about itself to customers	71.72	178.282	.818	.	.912
My telecommunication company makes a follow up on customer feedback	71.83	180.194	.814	.	.912
My telecommunication company tries to avoid potential conflict with customers	71.81	178.409	.840	.	.911
My telecommunication company tries to solve problems before they get worse	71.84	178.133	.842	.	.911
My telecommunication company has the ability to openly discuss solutions with customers when problems arise.	71.86	179.424	.830	.	.912
I am satisfied with the services provided by my telecommunication company	71.71	178.893	.776	.	.912
I am likely to recommend the products of my telecommunication company to other customers	71.73	178.804	.805	.	.912
I am likely to purchase other products from my telecommunication company	71.78	179.815	.776	.	.913
I am likely to switch to another telecommunication company	72.00	216.887	-.512	.	.937
I am likely to purchase from competitors of my telecommunication	72.01	211.170	-.382	.	.933
I am likely to stop purchasing from my telecommunication company	72.14	212.057	-.411	.	.933

I am likely to purchase more often from my telecommunication company	71.83	181.044	.752	.	.913
I am likely to increase purchases from my telecommunication company	71.89	180.500	.777	.	.913
I am likely to purchase other products from my telecommunication company	71.89	181.437	.770	.	.913
I am likely to purchase more expensive products from my telecommunication company	72.03	182.897	.673	.	.914
General views	73.23	200.275	-.014	.	.922

