

---

# **INTERNATIONAL JOURNAL OF SCIENCE ARTS AND COMMERCE**

---

## **INFLUENCE OF CUSTOMER TRUST ON CUSTOMER RETENTION IN THE TANZANIA TELECOMMUNICATION INDUSTRY. A CASE OF THE VODACOM TANZANIA LIMITED COMPANY**

**George Kanire**

Kampala International University in Tanzania.

**Dr. Emmanuel Tonya**

The Open University of Tanzania

Dr. Alberto Gabriel Ndekwa

Ruaha Cathoric University.

---

### **ABSTRACT**

*This research focused on exploring the influence of customer trust on customer retention in the telecommunication industry in Tanzania. Specifically, the study intended to assess the influence of customer trust on customer retention in the Tanzania telecommunication industry. The study used an explanatory research design to search for a causal relationship between the selected variables in this study. The study used a questionnaire instrument to gather quantitative data. The quantitative data collected from the respondents were used to test the study hypothesis and the model developed. A simple random sampling technique was used to draw a sample of 400 persons from Vodacom customers in Dar-es-salaam. The data collected were analyzed using structural equation modeling (SEM). The study revealed that customer trust has a weak relationship and a partial significant influence on customer retention. The study concludes by recommending that, since customer trust has a partial influence on customer retention, then the company needs to invest a little in campaigning the brand image, future purchase plans, price offers, and purchase process.*

**Key words:** Customer Relationship Marketing customer trust, customer retention.

## INTRODUCTION

Nowadays, telecommunication companies are working eagerly on a trustworthy relationship that attracts customer retention (Danish *et al.*, 2015). In this case, top companies in the telecommunication industry are establishing a credible, integrity, and empathetic quality service to make the services more sustainable and trustworthy (Mohammed & Sahin, 2020). Trust assists the companies to achieve a competitive advantage in the global economy and various networks (Antoldi, Cerrato & Depperu, 2011). Customer trust has become a focal point for relationship marketing which emerged over the years to provide areas from which customers are excited to building long-term relationships with the companies. The excitement of the customers towards the services offered, it assists the companies to increase sales, revenue, and maintain the market share. It is due to the reason that customer trust has become an integral part of relationship marketing (Teece, 2010). Generally, customer trust can guarantee a quality relationship that determines the permanence and intensity of customer retention (Hennig-Thurau, 2000). Based on the above, studies such as Alrubaiee (2010), Bataineh, *et al.* (2015) and Gounaris (2005) emphasized that trust is an important element to create a successful relationship that leads to customer retention. On the other hand, Nguyen, Lecrec & Lebanc (2013) argued that trust creates confidence for the firms to do business with customers. But, Izogo (2015) added that firms need to devote more efforts to maintain customer satisfaction and customer loyalty as the booster for customer trust. It means if the customers are dissatisfied with service or they are not loyal to the company they will decide to leave (Adekiya & Adepoju, 2016). Trust is one of the major attributes when the company tries to retain its customers. Trust helps the business to create constant tries which promotes personal as well as building close relationships between the firm and its clients.

In realizing the contribution and importance of customer trust to the telecommunication industry and the economy; both governments as well as business firms are investing heavily to create customer retention. Al-Hersh, Aburoub & Saaty (2014) point out that, the adoption of customer trust in the telecommunication industry triggers customer confidence for customers to consume services offered them. The campaign to promote customer trust provides the opportunity for companies to generate more sales, increased revenue, and guarantee market share growth. Jayanthaa & Geethab (2018) added that customer trust as one of the major factors in relationship marketing has assisted the Sri Lankan telecommunication firms to improve their sales volumes. If customer relationship marketing is used, it plays an integral part in developing mutual benefits and relationships between business and its customers; it stands as a key component of the development and improvement of the commercial sector. Similarly, Chindo (2013) observed that the growth of the Nigerian telecommunication sector depends much on how well the customer trust is promoted. The implementation of a customer trust campaign can assist the business to maintain a good relationship with customers and retain them. The companies in the telecommunication sector to fully adopted the customer relationship marketing program. The program serves as a key contributor for companies to enjoy both economic benefits and growth

of the nation's GDP (Ogbechi, Okafor & Orukotan, 2018). In Tanzania as in other countries, the telecommunications industry managed to reduce the costs of doing business by promoting effective customer relationship marketing (Sigit Parawansa, 2018). Apart from companies to reduce the operating costs, the use of customer trust the company will have the ability to build a long-lasting relationship (Sife, Kiondo & Lyimo-Macha, 2010).

Despite the tremendous work done by scholars and government policies on improving customer relationship marketing practices, little has been done to resolve the customer retention problem. The existence of the customer retention problem remained a key problem in business prosperity. The existence of customer retention problem among companies, it exhibits that there is a need for further studies. Further studies have to focus on the gap established in the literature. For instance, Morgan & Hunt (1994) through trust commitment theory explains how customer and commitment can assist to achieve customer retention. Moreover, the theory provides little clarification on how customer trust can influence customers directly without the mediating factors. On the other hand, the literature available such as Baig1, *et al.* (2015) provides an inadequate explanation to show how satisfaction and loyalty as mediating factors between trust and loyalty are linked to customer retention. The existence of customer retention problems in Tanzania telecommunication companies provides an emphasis; to conduct further studies and resolve the customer retention challenge. The company shares have been dropping from 36.7% to 32% in 2015. Due to this problem, the business is likely to face challenges to meet operations planned as well as their contribution to social-economic development in the country (Vodacom Tanzania PLC, 2019). Apart from customer retention in Tanzania telecommunication, Ofori-Dwumfuo, Owusu-Ansah & Nartey (2013) added that the Ghanaian telecommunication companies are also facing the customer retention problem. It was further explained that if a customer retention problem is not resolved, the companies are likely to face a serious drop in market shares, sales volume, and revenue. The need to address the customer retention problem calls for further study to find out whether customer trust influences customer retention.

In the Tanzanian context, the study done by Magasi (2016) explains how service quality can influence customer retention through loyalty as a mediating factor. Moreover, Nsiah & Mensah (2014) observed that both the service quality model and commitment-trust are theories developed to address customer retention; however they are composed of customer loyalty as a mediating factor. Nevertheless, Mahmoud, Hinson & Adika (2018) indicates that it is difficult to analyze directly the significant influence of relationship marketing without loyalty as a mediating factor. But, Mukherjee & Nath (2007) contrast by arguing that customer trust and relationship commitment can directly influence customer retention without loyalty as a mediating factor. Yet, little is known from available studies on whether the customer trust factor can directly influence customer retention.

Given this inconsistency in the findings and inadequate explanation from the theories and studies analyzed the direct influence of customer trust on customer retention; the current study intends to

adopt the factors from commitment-trust theories. The study focuses to establish how the customer trust factor can directly influence customer retention. The existing studies present extensive use of loyalty as a mediating factor, the current study analyses factors influencing customer retention in the context of the Tanzania telecommunication industry without considering the mediating factor

Specifically, the study intended to assess the influence of customer trust on customer retention in Vodacom Tanzania Limited

## METHODOLOGY

This study adopted a positivism paradigm that provides a set of assumptions used as a guideline for the acquisition of knowledge and development. Bryman (2015) disclosed that the positivism paradigm is based on the assumption that research can produce new knowledge and understand realities through the use of theory and the existing empirical evidence. Also, the study employed a positivism paradigm to involve theories and empirical evidence to produce knowledge and develop an understanding of realities about how customer trust can influence customer retention. An explanatory research design was used to develop more understanding of the subject matter. Apuke (2017) consolidated that explanatory research design is used to identify any causal relationship between the variables that pertain to the research problem. The current study predicts the causal relationship between customer trust and customer retention. Furthermore, a quantitative research approach was used in data collection and analysis. As argued by Atieno (2009) that, a quantitative research approach is an approach involving the use and analyses of numerical data suitable for hypothesis development and testing. Moreover, this study deployed a quantitative approach to collect data using standardized questionnaire tools from which the data collected were tested through the hypotheses developed. In this case, the researchers tested the influence of customer trust on customer retention. A random sampling technique was used to select a sample of 400 participants from the population of 1,224,000 Vodacom customers in Dar es Salaam, Tanzania (Vodacom Tanzania PLC, 2018). Kothari (2004) insists that a study population needs to have common characteristics. The sampling framework serves as a guideline for the list of participants involved as well as providing proper representativeness required to offer sufficient sample coverage. The sample frame for this study comprised Vodacom customers from Ilala, Temeke, and Kinondoni Vodacom regional branches.

The quantitative data gathered using the survey questionnaire was entered into IBM SPSS version 20; in this regard the software-assisted the study to conduct descriptive and inferential analysis. Leech *et al.* (2005) asserted that frequencies and percentages are useful tools to explain both profile and characteristics of phenomena. In this case, frequency and percentage were used by this study in analyzing as well as explaining the profile and characteristics of the customers' location. The analysis assisted the explanation and provides an understanding of how

relationship marketing can influence customer retention. Thus, the descriptive data analysis provided a rich picture for the sample of the population. It was also facilitated the discussion of findings. In the multivariate analysis, the study tested hypotheses and analyzed the significant influence of predictor variables namely trust, relationship commitment, and service quality against customer retention. The study used structural equation modeling (SEM) to test the significance of the independent variables against the dependent variable. The suitability of SEM for this study was derived from the benefits presented in the study done by Hooper *et al.* (2008). Whereas, Hooper *et al.* (2008) indicate that SEM can analyze by incorporating observed variables (measured) as well as unobserved variables (latent constructs) on measuring the relationship. Okeet *al.* (2012) disclosed that SEM is mostly applicable since it is difficult to analyze unobservable variables using traditional techniques. It is further explained that traditional techniques can only help to handle measured variables. This study designed the hypotheses which involve the latent or unobservable variables such as customer trust, relationship commitment, and service quality from which the study intended to test their influence on customer retention. Due to the inability of the traditional methods to analyze the unobservable variables in the research model, SEM was found to be suitable as it considers the above latent variables which are measure through some indicator variables known as observed variables.

## RESULTS AND DISCUSSION

### Respondents' Distribution by Location

The study sample comprised respondents from three Municipalities namely Ilala, Temeke, and Kinondoni as summarized in Table 3.1. The findings show that the majority of the respondents involved in this study ie 38.8% were located in Ilala, 26.5% in Temeke, and 34.7% in Kinondoni. It is understandable, why the majority of Vodacom beneficiaries were in Ilala. The reason being that majority of Vodacom business facilities are concentrated in Ilala as a center for government and economic activities.

**Table 3.1 Respondents' Distribution by Location**

Location	Frequencies	Percentages
Ilala	152	38.8
Temeke	104	26.5
Kinondoni	136	34.7
<b>Total</b>	<b>392</b>	<b>100.0</b>

## Model Validation

The current study validated the model to check and verify if the proposed factors in the conceptual framework taken from theory and empirical literature are consistent with the actual data collected from the field. Model validation was necessary because, at the beginning of the study, the researcher developed the conceptual framework without supporting data. It was necessary to check if the constructs were aligned with their underlining measures or indicator variables. To ensure that the constructs designed were aligned with their indicators, the researcher used both the exploratory factor analysis and the confirmatory factor analysis as described below.

### Exploratory Factor Analysis

To ensure that the constructs were aligned with their indicator variables before the actual data analysis, it was necessary to carry out exploratory factor analysis. This is because, at the start of any study, the researcher mixes empirical and theoretical measures of a construct from different settings without data. Scholars such as Henson & Roberts (2006) argue that in a situation where there is a mixing of constructs from different theories and empirical literature, a poor model fit will always result. To address this in the current study, exploratory factor analysis was used to identify a set of unobserved factors that reconstruct the complexity of the observed data in an essential form.

Exploratory factor analysis with varimax rotation was conducted to assess the underlying structure for the items in the survey questionnaire. In selecting factors to retain, four criteria were adopted namely, Eigenvalues, scree test (i.e., screen plot), the conceptual theoretical assumption, and factors that have at least three items. The use of a combination of criteria is recommended by Yong & Pearce (2013) to help to offset the weakness of using one criterion.

Given this situation, four factors were produced based on the coded questionnaire attached in Appendix I with 70% of the cumulative variance as attached in Appendix I. The four-factor had the Eigenvalues  $>1$ , all above the break/cut off point on-screen graph, and had at least two items aligned as in the conceptual framework. This means that all the retained factors meet Kaiser's criterion.

After discovering that the four factors had met the criteria and qualified to be retained, further analysis of measured variables was done to see if the indicators fit in their underlying factors. To assess the suitability of each measured variable to their underlying structure, the following criteria as recommended by Yong & Pearce (2013) were adopted for retaining/dropping an item/indicator as follows:

First, all items loaded into their associated factors were retained and those loaded into more than one factor were dropped. Secondly, if more than two items were loaded in one factor, all items were retained and if less than three items were loaded in one factor, all were dropped. Third, all items with a KMO p-value greater than 0.5 were retained and those with less than 0.5 were dropped. Fourth, all items with loading ranging from 0.4 to 0.8 were retained and those with

loading less than 0.4 or above 0.8 were dropped. Yong & Pearce (2013) suggested these criteria to be adopted for retaining the items or dropping the items to improve the model. As far as this study is concerned, Table 3.2 presents a selected output of SPSS items that were dropped.

**Table 3.2 Selected exploratory factor analysis output of Items dropped**

<b>FACTOR</b>	<b>ITEM REMOVED</b>
CT: Customer Trust	CT4 and CT7
CR: Customer retention	CR1 and CR5

Customer Trust (CT): CT6 and CT7 were dropped from the analysis because had multiple loadings on CT. Also, CR1: CR1 and CR5 had a negligible contribution because it was loaded alone in a single factor which failed to support theoretical assumptions. Given this perspective, the items that did not fit well with the factor solution were dropped from the analysis as described in Table 3.7 and those which fitted very well were retained as described in Table 3.3:

**Table 3.3 Exploratory Factor Analysis Rotated Component Matrix**

	Components	
	1	2
CT2	.896	
CT1	.863	
CT3	.804	
CT5	.801	
CT4	.785	
CR3		.916
CR2		.889
CR4		.888

Having established the study framework from the exploratory factor analysis, the next step was to perform a confirmatory factor analysis as described in detail in the following section:

### **A Confirmatory Factor Analysis**

The exploratory factor analysis failed to assess the loadings of the measures, error variances, and covariance. In the current study, it was necessary to carry out confirmatory factor analysis for theoretical constructs through assessing the loadings of the measures, error variances, and covariance (Hooper *et al.*, 2008). At this stage, the aim was to confirm and harmonize a belief about how the original variables are organized in a particular way using CFA. The study carried out a confirmatory factor analysis, a measurement model was developed to test for measurement

errors and the correlation between the latent variables (Yong & Pearce, 2013). In this section, a model of the composite structure was used as presented in the conceptual framework.

### **Model Fitness Evaluation in a Confirmatory Factor Analysis**

The following criteria were used to guide the model refinement process and so achieve a better fit as recommended by Schermelleh-Engel, *et al.* (2003) that a Standardized regression weight (S.R.W) value should be above 0.5 and Modification indexes (MI) that reveal high covariance between measurement errors accompanied by high regression weights between these errors' construct and cross-loading items were recommended for deletion.

### **Measurement Model for Baseline Model**

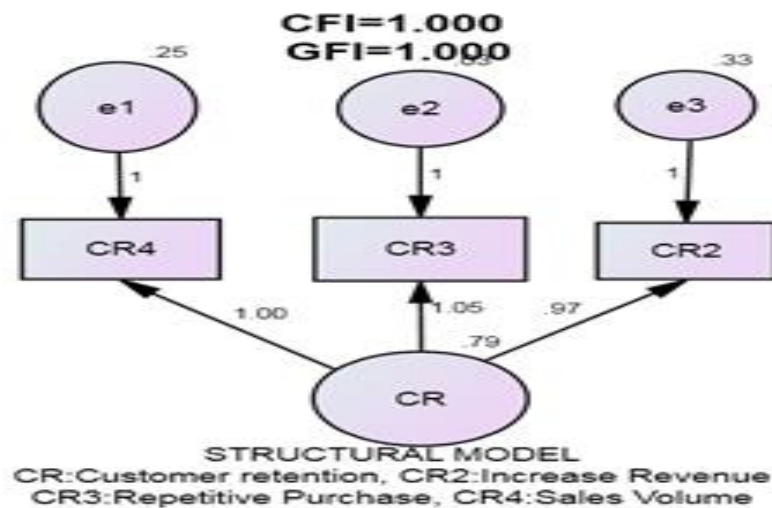
In the current study, to reach a baseline measurement model that fits both components, the four individual measurement models which were developed earlier were combined and a CFA was run with the maximum likelihood estimate in IBM Amos 20 to determine its fitness. After the initial run, the results showed a bad model fit with  $CMIN/DF = 5.263$ ,  $GFI = 0.811$ ,  $AGFI = 0.762$ ,  $CFI = 0.702$  and  $RMSEA = 0.109$ . Based on Hoe's (2008) recommendation which requires a model to achieve the following minimum requirements  $CFI (> 0.90)$  indicates good fit),  $RMSEA (< 0.08)$  indicates acceptable fit), and commonly used  $\chi^2$  statistic ( $\chi^2/df$  ratio of 3 or less) to be considered fit.

To improve the model, some items that were affecting the significance of the model's fitness were removed as recommended by Hooper, *et al.* (2008) explains how to remove the items that demonstrate low loading, and those items standardized regression weights (S.R.W) values less than 0.5. The items of Customer Trust (CT): CT6 and CT7 were eliminated from the analysis because they had weak loadings on the theoretical model and hence affected its fitting. At this point, elimination was made at the item level, and items that were removed because their effect was not only weakening the model, but they also indicated weak statistical power.

### **Measurement Model for Customer Retention (CR)**

Initially, CFI was run using IBM Amos 20 to test and confirm for measurement model base on the following observed variable namely CR2, CR3, and CR4. The model output as illustrated in the figure indicating that the model fit well based on Hoe (2008) commonly applied fit indices which require a model to achieve the following minimum requirement  $CFI (> 0.90)$  indicates good fit),  $RMSEA (< 0.08)$  indicates acceptable fit), and commonly used  $\chi^2$  statistic ( $\chi^2/df$  ratio of 3 or less) to be considered fit.

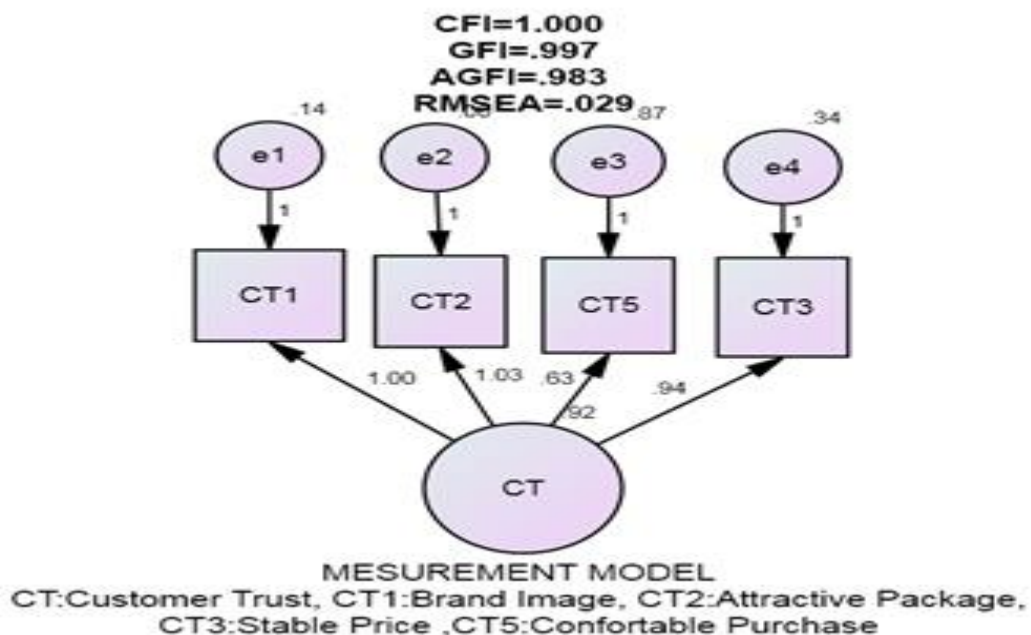




**Figure 3.1: Measurement Model for Customer Retention**

### Measurement Model for Customer Trust

Initially, CFI was run using IBM Amos 20 to test and confirm for the customer trust measurement model based on the following observed variable namely CT1, CT2, CT3, and CT5. After running the model, CT4 was dropped to enhance model fit. The model output as illustrated in Figure 3.2 is indicated that the model fit well based on Hoe (2008) commonly applied fit indices which require a model to achieve the following minimum requirement CFI ( $> 0.90$  indicates good fit), RMSEA ( $< 0.08$  indicates acceptable fit), and commonly used  $\chi^2$  statistic ( $\chi^2/\text{df}$  ratio of 3 or less) to be considered fit.



### Figure 3.2: Customer Trust Measurement Model

#### The influence of Customer Trust on Customer retention

The second postulated relationship in this study hypothesized a positive and strong significant relationship between customer trust and customer retention as stated below.

*Null hypothesis:  $H_0$ : Customer trust has a positive and significant influence on customer retention*

For testing the stated hypothesis, descriptive statistical analysis was run first to profile the influence of customer loyalty on predicting customer retention *as* illustrated in Table 3.4.

**Table 3.4: Descriptive Statistics for customer retention**

	N	Minimum	Maximum	Mean	
CT1	392	1	5	3.92	
CT2	392	1	5	3.87	
CT5	392	1	5	3.78	
CT3	392	1	5	3.68	
CT4	392		1	5	3.54
Valid N (listwise)	392				

Table 4.4 shows the results of the analysis. Among the three attributes of customer trust in Table 4.4, it was found that brand image had a high impact on customer retention in telecommunication followed by attractive packages, comfortable purchase process, promise fulfillment, and stable price. This means that brand image yields a mean value of 3.92, which is higher as compared to other indicators. However, the mean value of 3.0 is used to explain the explanatory power of neutral that it is either significant or insignificant.

Further analysis was done using SEM to determine the significant influence of customer trust on customer retention as illustrated in Table 3.5.

**Table 3.5: Customer Trust Path Coefficient**

	Estimate	S.E.	C.R.	P	S.R.W	REMARKS
CR <--- CT	-.142	.072	-1.983	.047	0.099	Accepted
CT1 <--- CT	1.601	.130	12.358	***	0.936	
CT2 <--- CT	1.635	.130	12.586	***	0.995	
CT3 <--- CT	1.510	.128	11.770	***	0.845	
CT5 <--- CT	1.000				0.543	

This hypothesis is examined using the path leading from CT to CR which forms a relationship between customer trust and customer retention (CR) as illustrated in Table 3.5 above.

The results of the standardized path coefficients ( $\gamma$ ) in Table 4.5 have yielded standardized regression weights of 0.099 which indicate a weak positive relationship between customer trust and customer retention. Chin (1998) has postulated that a standardized paths coefficient ( $\gamma$ ) should be at least 0.2 to be considered significant and meaningful for discussion. In this case, the standardized paths coefficient of 0.099 was below the recommended value to be considered meaningful for discussion. This means that customer trust is significant with a weak relationship towards customer retention. All attributes namely brand image (CT1), attractive packages (CT2), promise fulfillment (CT3), stable prices (CT4), and comfortable purchase process (CT5) their explanatory path toward customer retention together were partially significant, it means there were less meaningful for discussion as illustrated in Table 3.5.

Further analysis of the significant influence of customer trust, carried out using critical ratio values as is indicated in Table 3.5. The result shows a critical ratio of -1.983 and  $p=.047$ , based on the interpretation made by Hox & Bechger (2014) the critical ratio should be greater than 1.96 and greater than 0.05. It means customer trust has partial significant and weak influences on customer retention. The result concurs with the findings by Nazir, Ali & Jamil (2016) who support the current findings by showing that customer trust has a partial influence on customer retention. Similarly, Behravan *et al.* (2012) add that consumer trust provides confidence between partners, which in turn it assists to build strong relationships between business and customers. Aslama *et al.* (2018) consolidated that customer trust triggers customer emotion and attitude to repurchase services. This current study supports the Commitment-trust theory by Morgan & Hunt (2014) which explains the influence of customer relationship marketing on customer retention. Furthermore, the Commitment-trust theory identifies customer trust as a key factor in the exchange between a business and its customers. It helps to build a relational co-operation. Morgan and Hunt conceptualize that the theory has the power to predict the impact of customer trust on customer retention. In return, customer trust develops the confidence to build a long-lasting relationship between business and customers (Aslama *et al.*, 2018). On the other hand, Mahmoud, Hinson & Adika (2018) support that managers should effectively focus on developing customer trust as it assists the business to build trustworthy relationships linked with customer retention.

Even though, the current study is in agreement with the results presented by Anwar *et al.* (2011) who revealed that customer trust has partial significant results on customer retention. The current study shows that customer trust has a partial relationship and a weak influence on customer retention. The current study also differs from Liu *et al.* (2012) who indicated that customer trust derived from brand image, attractive packages, promise fulfillment, stable prices, and comfortable purchase process. The results differ from those of Husnain & Akhtar (2016) who indicate that customer trust demonstrates a weak link with customer retention. Moreover, the

study represents different parameters used to measure the impact of customer trust on customer retention.

Moreover, the study by Husnain & Akhtar (2016) demonstrates that commitment, reliable timely communication to ensure trustworthy services have a significant influence on customer retention. On the other hand, the study by Madjid (2013) indicates similar findings with the current study. This shows that customer trust has a weak but positive relationship and a partial significant influence on customer retention. Furthermore, customer trust has been explained as an antecedent customer retention leading to repetitive purchase and sales volume. Similarly, Nguyen, Leclerc & LeBlanc (2013) added that customer trust plays a significant role in developing and maintaining relationships between buyers and sellers. The argument supported by Wahab *et al.* (2011) found that trust is tested to be the main antecedent for customer retention. The findings in the current study differ in the explanation of how customer trust can influence customer retention. This study indicates that customer trust attributes such as brand image, attractive packages, promise fulfillment, stable prices, and comfortable purchase process have a significant influence on customer retention.

Narwal & Singh (2016) present findings that contrast with the current study. It was revealed that customer trust has a positive and significant influence on customer retention. Furthermore, the findings revealed that different measurements can be adopted to study trust. For instance, Narwal & Singh (2016) used commitment, seller expertise, switching barriers, brand image, happiness, conflict handling, and customization to study customer retention. The study found that customer trust has a positive and significant influence on customer retention. Abdullah & Chui Teo (2014) add that customer trust offers customer retention benefits such as sales volume, repetitive purchase, and increased revenue. Moreover, Elias, Al-Momani & Noor (2011) supported that customer trust is not the main antecedent of customer retention. But, it has a direct link with customer retention. It means customer trust and its effects can be directly exhibited through improved sales, purchase rate, and market share maintenance in the Malaysian mobile phone industry. The current study is in agreement with Husnain & Akhtar (2016) who argued that if customer trust is poorly handled can have an inverse result on customer retention and future sales.

Liu *et al.* (2012) found that managers should design effective mechanisms to deal with inconsistent changes in customer retention. The current study differs from the results presented by Danish *et al.* (2015) the customer retention measurements can be affected by contextual differences like commitment or emotional level. Thus customer trust can be affected by commitment or emotional levels, for instance, active customers are certain with the behavior of the service so their plan for a future purchase is also certain. Also, Díaz (2017) argued that there are customers who are dubious about efforts committed by a service provider as well as those who have reduced or are willing to lose a percentage of loyalty. This group of customers plans to

declare their intention to leave the service providers. The findings also contrast with the argument made by (Kayode, Omotosho&Adeduro, 2018) which emphasized that customer trust has a positive and strong association with customer retention. Furthermore, the study by Sabbeh (2018) adds that brand image, attractive packages, promise fulfillment, stable prices, and comfortable purchase process as customer trust attributes partially helps the telecommunication companies to retain customers. This implies that the characteristics possessed by customer trust have a weak positive relationship and a partial significant influence on customer retention.

Given this evidence, the study concludes that customer trust has a weak positive but partially significant influence on customer retention in the telecommunication industry. Based on the discussion of the findings, the customer trust indicates a partial influence and weak influence on customer retention; but it is rewarding for managers to take a good look. This is due to the contextual environment since the factors which affect customer retention are dynamic. Also, Vodacom is one of the telecommunication companies in Tanzania which tries to achieve sustainable customer retention competitively, there is a need to create customer trust through an enhanced safety net. The safety net would help the customer to have adequate knowledge to make critical decisions on competence, honesty, and benevolence offered through services from Vodacom. The purpose of creating a safety net is to minimize the uncertainty and risk facing the customers to maintain their purchasing behavior. Since customers will be assured of trustworthy services offered they can also refer the company to their friends.

Future research can be conducted on how customer trust can influence customer retention, by considering the impact of other moderating and mediating variables. The current paper considered the influence of customer trust without determining how customer loyalty and satisfaction can affect customer retention. The facets and consequences of these variables can shade more light on how business companies can deal with customer trust and meet dynamism on customer retention in near future.

## REFERENCES

- Abdullaha, M.F., Putita, L. & Teo, C.B.C. (2014). Impact of Relationship Marketing Tactics (RMT's) & Relationship Quality on Customer Loyalty: A Study within the Malaysian Mobile Telecommunication Industry. *Procedia-social and behavioral science*, 130 (1), 371-378.
- Adekiya, A.A.&Adepoju, B.A. (2016). The Relationship between Brand Trust and Customer Loyalty: The Moderating Impact of Demographic Characteristics. *International Journal of Marketing Practices*, 1(1). pp 1-23.

- Al-Hersh, A.M., Aburoub, A.S. & Saaty, A.S. (2014). The Impact of Customer Relationship Marketing on Customer Satisfaction of the Arab Bank Services, *International Journal of Academic Research in Business and Social Science*, 4(5).
- Alrubaiee, L. (2010). Investigate the Impact of Relationship Marketing Orientation on Customer Loyalty: The Customer's Perspective, *International Journal of Marketing Studies*, 2(1).
- Antoldi, F., Cerrato, D. & Depperu, D. (2011). *Strategic Networks, Trust and the Competitive Advantage of SMEs*, Springer
- Anwar, A., Gulzar, A., Sohail, F.B. & Akram, S.N. (2011). Impact of Brand Image, Trust and Affect on Consumer Brand Extension Attitude: the Mediating Role of Brand Loyalty, *International Journal of Economics and Management Sciences*, 1(5), 73-79.
- Apuke, O.D. (2017). Quantitative Research Methods a Synopsis Approach, *Arabian Journal of Business and Management Review*, 6 (10).
- Aslam, W., Arif, I., Farhat, K. & Khursheed, M. (2018). The Role of Customer Trust, Service Quality, and Value Dimensions in Determining Satisfaction and Loyalty: An Empirical Study of the mobile Telecommunication Industry in Pakistan, *UDK* 30 (2), 177-194.
- Atieno, P.O. (2009). An Analysis of the Strengths and Limitation of Qualitative and Quantitative Research Paradigms, *PA. Journal* 13(1) 13-18.
- Baig1, S.A., Zia-Ur-Rehman, M., Saud., Javed, E., Aslam., T. & Shafique, A. (2015). Mediating roles of customer satisfaction and customer trust in building brand loyalty. An empirical study in Pakistan, *Business Management Dynamics*, 4(10), pp.01-29.
- Bataineh, A.Q., Al-Abdallah, G.M., Salhab, H.A. & Shoter, A.M. (2015). The Effect of Relationship Marketing on Customer Retention in the Jordanian's Pharmaceutical Sector, *International Journal of Business and Management*; 10(3).
- Behravan, N., Jamalzadeh, M., Jouya, S.F. & Markhali, A.Z. (2012). The Study of Factors Associated with Trust towards Customers' Loyalty within Online Setting. *Journal of Applied Sciences*, 12(22), 2312-2318.
- Bryman, A. & Bell, E. (2015). *Business research methods*. Oxford University Press, USA.
- Chin, W.W. (1998). *The partial least squares approach for structural equation modeling*. In G.A. Marcoulides (Ed.), *Modern methods for business research*. Mahwah, N.J. Lawrence Erlbaum Associates.
- Chindo, S. (2013). Assessing the Impact of GSM Sub-Telecommunication Sector on the Teledensity Rate and Economic Growth in Nigeria: Time Series Analysis, *International Journal of Business and Social Science*, 4 (3).
- Danish, R. Q., Ahmad, F., Ateeq, A., Ali, H.Y. & Humayon, A.A. (2015). Factors Affecting Customer Retention in Telecom Sector of Pakistan, *American Journal of Marketing Research*, 1(2) pp. 28-36.
- Díaz, G.R. (2017). The influence of satisfaction on customer retention in the mobile phone market, *Journal of Retailing and Consumer Services*, (36)1, 75-85.

- Gounaris, S.(2005).Trust and Commitment Influences on Customer Retention: Insights From Business-to-Business Services, *Journal of Business Research*, 58(2),pp.126-140.
- Hacker, S.K., Israel, J.T & Couturier, L. (2014). Building Trust in Key Customer - Supplier Relationships, *researchgate*
- Halliburton, C. &Poenu, A. (2010). The Role of Trust in Consumer Relationships, *ESCP Europe Business School*.
- Hennig-Thurau,T.(2000).Relationship Quality and Customer Retention through Strategic Communication of Customer Skills,*Journal of Marketing Management*, 16(1)pp.55-79.
- Henson, R. K. & Roberts, J. K. (2006). Use of Exploratory Factor Analysis in Published Research: Common Errors and Some Comment on Improved Practice. *Educational and Psychological Measurement*, (66)3.
- Hooper, D., Coughlan, J. & Mullen, M. R. (2008). Structural Equation Modelling: Guidelines for Determining Model Fit. *The Electronic Journal of Business Research Methods*, 6(1).
- Hox, J.J. &Bechger, T. M. (2012). An Introduction to Structural Equation Modeling. *Family Science Review*, 11(2).
- Hur, W., Park, J. & Kim, M. (2010). The Role of Commitment on the Customer Benefits–Loyalty Relationship in Mobile Service Industry, *The Service Industries Journal*, (30) 14.
- Husnain, M. & Akhtar, M.W. (2016). Impact of Branding on Impulse Buying Behavior: Evidence from FMCG's Sector Pakistan, *International Journal of Business Administration*, (7) 1.
- Izogo, E.E. (2015).Service quality, customer satisfaction and loyalty in automobile repair services sector., *International Journal of Quality & Reliability Management*, 32( 3) pp. 250 – 269
- Jayanthaa, D. &Geethab, T. (2018). Determinants of Customer Retention with Special Reference to Mobile Telecommunication Industry in Sri Lanka, *International Conference on Management and Economics*, 3 (1), 331-340.
- Kayode, O., Omotosho, O. & Adeduro, O. (2018).Predictive Analytics for Increased Loyalty and Customer Retention in Telecommunication Industry, *International Journal of Computer Applications*, 179(32), 43-47.
- Kothari, C. R. (2004). *Research methodology: Methods and Techniques*. New Age International Publishers. New Delhi.
- Kothari, C. R. (2004). *Research methodology: Methods and Techniques*. New Age International Publishers. New Delhi.
- Liu, J., Xu, X., Zhang, M. & Du, J.(2012). The Influence of Trust and Commercial Friendship on Customer Retention: An Empirical Study of Banking, *International Joint Conference on Service Sciences*.
- Madjid, R. (2013). Customer trust as relationship mediation between customer satisfaction and loyalty at bank Rakyat Indonesia (BRI) Southeast Sulawesi. *The International Journal of Engineering and Science*,2(5), 48-60.

- Magasi, C. (2016). Customer Relationship Marketing and its Influence on Customer Retention: A Case of Commercial Banking Industry in Tanzania, *Journal of Emerging Issues in Economics, Finance and Banking*, (5)1.
- Mahmoud, M.A., Hinson, R.E. & Adika, M.K. (2018). The Effect of Trust, Commitment, and Conflict Handling on Customer Retention: The Mediating Role of Customer Satisfaction, *Journal of Relationship Marketing*.
- Mohammed, S.S., & Sahin, O. (2020). Service Quality Perspectives in Telecommunication Sector: Trust and Loyalty Investigation, *Amazonia Investiga*, 9(28).
- Morgan, R.M. & Hutt, S.D. (1994). The Commitment-Trust Theory of Relationship Marketing. *Journal of Marketing*, 58(1), 20-38.
- Mukherjee, A. & Nath, P. (2007). Role of Electronic Trust in Online Retailing, A Re-examination of the Commitment-Trust Theory, *European Journal of Marketing*, 41(9), 1173-1202.
- Narwal, S. & Singh, D. (2016). How CRM Affect Customer Retention: A review, *International Journal of Science Technology and Management*, 5(7).
- Nazir, B. Ali, M. & Jamil, M. (2016). The Impact of Brand Image on Customer Retention: A Mediating Role of Customer Satisfaction in Pakistan, *International Journal of Business and Management Invention*, 5(3).
- Nguyen, N., Leclerc, A. & LeBlanc, G. (2013). The Mediating Role of Customer Trust on Customer Loyalty, *Journal of Service Science and Management* 6(1), 96-109.
- Nsiah, R. & Asantewaah, A.M. (2014). The Effect of Service Quality on Customer Retention in the Banking Industry in Ghana: A Case Study of Asokore Rural Bank Limited, *SSRN Electronic Journal*.
- Ofori-Dwumfuo, G.O., Owusu-Ansah, S. & Nartey, D. (2013). Achievement of Strategic ICT Business objective through customer retention in Ghanaian telecommunication Company, *Current research Journal of Social Sciences*, 5(6).
- Ogbechi, A.D., Okafor, L.I. & Orukotan, C.I. (2018). Effect of relationship marketing on customer retention and loyalty in the money deposit bank industry, *African Journals Online*, 12(2).
- Oke, A. E., Ogunsami, D. R. & Ogunlana, S. (2012). Establishing a Common Ground for The Use of Structural Equation Modelling for Construction Related Research Studies. *Australasian Journal of Construction Economics and Building*, (12)3.
- Sabbeh, S.F. (2018). Machine-Learning Techniques for Customer Retention: A Comparative Study, *International Journal of Advanced Computer Science and Applications*, 9(2).
- Schermelleh-Engel, K., Moosbrugger, H. & Muller H. (2003). Evaluating the fit of structural equation models: tests of significance and goodness-of-fit models. *Methods of Psychological Research Online*, 8(1).
- Sife, A.S, Kiondo, E. & Lyimo-Macha, J.G. (2010). Contribution of Mobile Phones to Rural Livelihoods and Poverty Reduction in Morogoro Region, Tanzania, *EJISDC*, 42 (3). pp 1-15.



- SigitParawansa, D. (2018) .Effect of commitment and customers' satisfaction on the relationship between service quality and customer retention in rural banks in Makassar, Indonesia, *Journal of Management Development*, 37(1), 53-64.
- Teece, D.J.(2010). Business Models, BusinessStrategy and Innovation, Long Range Planning 43(1) pp 172-194.
- Vodacom Tanzania PLC. (2018). *Vodacom customer care report*, Vodacom Tanzania PLC.
- Vodacom Tanzania PLC. (2019). Vodacom Tanzania's Annual Report 2019, Vodacom Tanzania Public Limited Company, available from [www.vodacom.co.za](http://www.vodacom.co.za), accessed on 14/March,2020.
- Wahab, S., Elias, J., Al-Momani, K. & Noor, N.A.M. (2011).The Influence of Trust and Commitment on Customer Relationship Management Performance in Mobile Phone Service, *International Conference on Information and Financial Engineering*, (12)1.
- Yong, A. G. & Pearce, S. (2013). A beginner's guide to factor analysis: Focusing on exploratory factor analysis. *Tutorials in Quantitative Methods for Psychology*, (9)2.

## Appendix I: Summary of Variance

### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.816	36.348	36.348	5.816	36.348	36.348	3.622	22.635	22.635
2	3.091	19.322	55.669	3.091	19.322	55.669	3.609	22.559	45.194
3	2.127	13.296	68.965	2.127	13.296	68.965	2.717	16.984	62.178
4	1.545	9.657	78.622	1.545	9.657	78.622	2.631	16.444	78.622
5	1.067	6.670	85.292						
6	.507	3.171	88.463						
7	.447	2.793	91.256						
8	.282	1.763	93.019						
9	.236	1.472	94.491						
10	.205	1.280	95.772						
11	.175	1.093	96.865						
12	.162	1.012	97.876						

13	.118	.738	98.614						
14	.101	.630	99.244						
15	.070	.437	99.682						
16	.051	.318	100.000						

Extraction Method: Principal Component Analysis.