

Customer relationship marketing and its influence on customer retention: a case of Commercial  
Banking Industry in Tanzania

Chacha Magasi Malengo

Master of Business Administration (Marketing)

University of Dar es Salaam, Business School, 2007

The purpose of this research was to investigate the extent to which customer relationship marketing influences customer retention with commercial banks in Tanzania. It assessed how the antecedents of relationship marketing notably customers' trust, commitment, satisfaction and relationship influence customers' retention either directly or indirectly with their commercial banks. The research aimed at contributing to theoretical knowledge and at the same time guide marketing practitioners with the strategies, tactics and programs to use in order to retain their customers. The research methodology consisted of questionnaire survey to actual customers of 22 commercial banks in Tanzania. The Chi-square method and multiple regression models were used in the analysis of data. The former was used to judge the variation of observed variables in explaining the latent variable while the latter giving the conclusion for the stated hypotheses. The results suggest that there is a positive relationship between customers' trust and satisfaction on their commitment to commercial banks in Tanzania. Also, there is a positive relationship between customers' commitment and their relationship between customers' satisfaction and their retention. Lastly, there is a positive relationship between customers' satisfaction and their retention with commercial banks in Tanzania. This research based on external customers i.e. customers who are not employees in those banks. The role of other researchers and other business firms is to further investigate on the influence of internal customers (employees) and potential customers on their retention with commercial banks in Tanzania.