

## **Customer retention strategies in the airline industry in Tanzania**

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Customer Retention is a sine qua non for the survival and sustainability of firms in today's competitive but volatile business environment. Retaining the customer is good for the health and the general wellbeing of firms. The economic benefits of customer retention cannot be over-emphasized as it culminates in the overall profitability of firms. The open skies policy in the air transport industry in Tanzania sparked intense competition and has witnessed proliferation of airlines into the industry. This calls for deliberate workable strategies aimed at not only acquiring customers but also keeping them as well so as to prevent customers from defecting to competitors. Several studies have been conducted to identify the importance of customer retention especially in the banking sector. Little is known about the design of workable customer retention strategies in the airline industry in Tanzania. The aim of this study was to find out the correlation between constructs of Relationship Marketing (RM), Airline Service Quality (ASQ), Airline Switching Barriers (ASB) and Service Recovery (SR) and Customer Retention in the airline industry in Tanzania. A quantitative method and researcher-administered questionnaire was used to investigate the problem. The survey design was a cross-sectional non-experimental study of 337 respondents which was sampled by using a multistage probability and non-probability sampling techniques. Bivariate and standard multiple regression models were used for analysis. The analysis of the study clearly revealed that all the four constructs used in the study namely; RM, ASQ, ASB, and SR are significantly and positively associated with customer retention with the duo constructs of ASQ and ASB being the most significant. Despite limitations such as generalizability, the findings of this study provides evidence that airline industry professionals need to pay close attention to these strategies especially Airline Service Quality and Airline Switching Barriers and fine-tuning them to reflect the exigencies of the time and also to ensure their continued use and adoption for an improved Customer Lifetime Value.