# FACTORS INFLUENCING SUSTAINABLE CUSTOMER RELATIONSHIPS IN THE LOCAL TANZANIA GOVERNMENT AUTHORITIES: A CASE OF DODOMA CITY COUNCIL

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# A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN RESOURCE MANAGEMENT (MHRM) DEPARTMENT OF MARKETING, ENTREPRENEURSHIP AND MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA

2025

# **CERTIFICATION**

The undersigned certifies that they have read and hereby recommends for acceptance by the Open University of Tanzania a dissertation entitled; "Factors Influencing Sustainable Customer Relationships in the Local Government Authorities: A Case of Dodoma City Council", in partial fulfilment of the requirements for the Degree of Master of Human Resource Management of the Open University of Tanzania.

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I, Merina Ernest Mlunza, declare that, the work presented in this dissertation is original. It has never been presented to any other University or Institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfilment of the requirements for the Degree of Master of Human Resource Management of the Open University of Tanzania.

Signature

Date

# **DEDICATION**

I dedicate this work to the Almighty God, whose guidance and blessings have been instrumental throughout this journey. Additionally, I dedicate this report to my beloved husband, Ramadhani Mbaruku, whose unwavering support and encouragement have been the cornerstone of my achievements. To our children, Rehema and Reyna, your love and patience during this time have inspired me to strive for excellence.

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#### ABSTRACT

The study assessed factors influencing sustainable customer relationships in the Tanzania Local Government Authorities focusing on Dodoma City Council. Specifically, the study examined the influence of communication channels, service digitalization and employee engagement on sustainable customer relationships. Social exchange theory and stakeholder theory were employed. The study adopted a positivist approach and employed a quantitative research method with descriptive research design and survey strategy. The study surveyed 340 employees, collecting primary data via closed-ended questionnaires and secondary data through document reviews. SPSS program was used for data analysis, employing descriptive and inferential statistics to interpret findings. Findings showed that communication through various channels, including email, phone and in-person interactions are effective in fostering sustainable customer relationships. Findings revealed that the availability of online services significantly enhances convenience and accessibility for customers. The study found that the recognition and appreciation of employees contribute to the organization's perceived culture and values, fostering long-term relationships with customers. The study found that communication channels and service digitalization positively influence sustainable customer relationships but employee engagement showed no statistically significant impact. The study recommends that Dodoma City Council prioritize enhancing communication channels to strengthen customer relationships. Future research should explore how external factors such as economic fluctuations and regulatory changes shape customer expectations and interactions with government.

**Keywords**: Communication Channels, Service Digitalization, Employee Engagement.

# TABLE OF CONTENTS

CERTIF	ICATIONi	i
COPYRI	IGHTii	i
DECLAI	RATIONiv	7
DEDICA	ATION	7
ACKNO	WLEDGEMENTv	i
ABSTRA	ACTvi	i
LIST OF	TABLESxii	i
LIST OF	FIGURESxiv	7
LIST OF	ABBREVIATIONSxv	7
CHAPTI	ER ONE	l
INTROD	DUCTION	l
1.1	Overview	l
1.2	Background to the Study	L
1.3	Statement of the Problem	3
1.4	Research Objectives	5
1.4.1	General Objective	5
1.4.2	Specific Objectives	5
1.5	Research Questions	5
1.6	Scope of the Study	5
1.7	Significance of the Study	5
1.8	Organization of the Study	7
CHAPTI	ER TWO	3
LITERA	TURE REVIEW	3

2.1	Overview	8
2.2	Conceptual Definitions	8
2.2.1	Communication Channels	8
2.2.2	Service Digitalization	8
2.2.3	Employee Engagement	9
2.2.4	Sustainable Customer Relationships	9
2.3	Theoretical Literature Review	10
2.3.1	Social Exchange Theory	10
2.3.2	Stakeholder Theory	12
2.4	Empirical Literature Review	15
2.4.1	Worldwide Studies	15
2.4.2	Studies in African Countries	18
2.4.3	Empirical Studies in Tanzania	20
2.5	Research Gap	21
2.6	Conceptual Framework	22
2.6.1	Hypotheses Development	23
2.6.2	Conceptualization of Variables	25
СНАРТЕ	R THREE	26
RESEAR	CH METHODOLOGY	26
3.1	Overview	26
3.2	Research Philosophy	26
3.3	Research Approach	26
3.4	Research Design and Strategy	27
3.4.1	Area of the Study	27

3.4.2	Population of the Study	28
3.4.3	Sample Size and Sampling Techniques	28
3.5	Data Collection	29
3.5.1	Variable Measurement	30
3.6	Data Analysis	31
3.7	Data Cleaning and Processing	32
3.8	Validity of the Instrument	32
3.9	Reliability of the Instrument	33
3.10	Ethical Consideration	35
CHAPTI	ER FOUR	36
FINDIN	GS AND DISCUSSION	36
4.1	Introduction	36
4.2	Response Rate	36
4.3	Demographic Information	36
4.3.1	Gender Distribution	37
4.3.2	Age Distribution	37
4.3.3	Education Level	38
4.3.4	Years of Experience	39
4.3.5	Training and Professional Development	40
4.3.6	Work Schedule	41
4.4	Communication Channels on Sustainable Customer Relationships	42
4.5	Influence of Service Digitalization on Sustainable	
	Customer Relationships	45
4.6	Influence of Employee Engagement on Sustainable	

	Customer Relationship	47
4.7	Sustainable Customer Relationship	50
4.8	Inferential Statistics	53
4.8.1	Correlation Analysis	53
4.8.2	Normality Test	54
4.8.3	Multicollinearity	55
4.8.4	Regression Analysis	56
4.9	Discussion of Findings	59
4.9.1	Influence of Communication Channels on Sustainable	
	Customer Relationships	59
4.9.2	Influence of Service Digitalization on Sustainable	
	Customer Relationships	62
4.9.3	Influence of Employee Engagement on Sustainable	
	Customer Relationship	66
СНАРТ	TER FIVE	70
SUMM	ARY OF FINDINGS CONCLUSIONS AND	
RECO	MMENDATIONS	70
5.1	Overview	70
5.2	Summary of the Key Findings	70
5.2.1	Influence of Communication Channels on Sustainable	
	Customer Relationships	70
5.2.2	Influence of Service Digitalization on Sustainable	
	Customer Relationships	71
5.2.3	Influence of Employee Engagement on Sustainable	

APPENDICES		83
REFERE	ENCES	78
5.7	Recommendations for Further Studies	76
5.6	Limitations of the Study	76
5.5	Recommendations	74
5.4	Implication of the Study	73
5.3	Conclusions	72
	Customer Relationship	71

# LIST OF TABLES

Table 3.1:	Sample Size	29
Table 3.2:	Variable Measurement	30
Table 3.3:	KMO and Bartlett's Test	33
Table 3.4:	Cronbach's Alpha	34
Table 4.1:	Communication Channels on Sustainable Customer Relationship	s 43
Table 4.2:	Influence of Service Digitalization on Sustainable	
	Customer Relationships	46
Table 4.3:	Influence of Employee Engagement on Sustainable	
	Customer Relationship	49
Table 4.4:	Sustainable Customer Relationship	51
Table 4.5:	Correlations	53
Table 4.6:	Tests of Normality	54
Table 4.7:	Multicollinearity	55
Table 4.8:	Model Summary	56
Table 4.9:	ANOVA	57
Table 4.10:	Coefficients	58
Table 4.11:	Hypotheses Summary	59

# LIST OF FIGURES

Figure 2.1: Conceptual Framework	. 23
Figure 4.1: Gender Distribution	. 37
Figure 4.2: Age Distribution	. 38
Figure 4.3: Education Level	. 39
Figure 4.4: Years of Experience	. 40
Figure 4.5: Training and Professional Development	. 41
Figure 4.6: Work Schedule	. 42

#### LIST OF ABBREVIATIONS

ANOVA Analysis of Variance

AUWSA Arusha Urban Water Supply and Sanitation Authority

CRM Customer Relationship Management

CRMC Customer Relationship Management Capabilities

df Degree of Freedom

E-Government Electronic Government

e-Services Electronic Services

KMO Kaiser-Meyer-Olkin

KZN Kwa-Zulu Natal

PLS-SEM Partial Least Squares Structural Equation Modeling

SDGs Sustainable Development Goals

SEM Structural Equation Modeling

SMEs Small and Medium Enterprises

SPSS Statistical Package for the Social Sciences

WES Women's Enterprises

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Overview

This study sought to assess factors influencing sustainable customer relationships in the Local Government Authorities in Dodoma City Council. The key justifications for the investigation are emphasized in this chapter, along with background information on the issue, a problem description, research objectives, research questions, the significance of the study, and its scope and organization.

#### 1.2 Background to the Study

Globally, the imperative for sustainable customer relationships within the public sector has garnered increasing attention, with statistics indicating a significant shift towards digital engagement channels (Gulich et al. 2024). According to Globočnik & Martinčević (2021), an increasing need for efficient service delivery and direct communication channels is reflected in the fact that over 60% of Americans prefer using online portals and mobile applications to obtain government services. Comparably, over 70% of government transactions are being done online in Asian nations like Singapore and South Korea, which have seen a notable uptake in digital platforms (Wei & Cheah, 2020). This demonstrates how well e-governance programs work to improve public happiness and streamline administrative procedures.

According to Barendsen, et al., (2021), more than 80% of people in Europe, where Estonia is a leader in digital governance, have secure digital identities, which makes it easy for them to use online public services. Since governments throughout the

world are placing a greater emphasis on openness, accessibility, and responsiveness to the demands of their citizens, these performances highlight the critical role that digitalized services and communication channels play in creating long-lasting customer connections., Zhuang, et al., (2021) also demonstrated that companies with highly engaged workforces have 20% higher rates of customer satisfaction, highlighting the mutually beneficial relationship between employee engagement and consumer happiness.

African countries have seen significant progress in leveraging digital technologies to bolster citizen-government interactions. According to Rahman, et al., (2019), the "Egyptian E-Government Flagship Initiative" has attempted to improve service delivery via digital channels, leading to a noteworthy rise of more than 40% in the use of online government services during the previous five years. Comparably, the implementation of citizen-centric initiatives in South Africa, such as the "e-Services Portal," has resulted in a noteworthy increase in citizen involvement with government agencies via digital channels of around thirty percent (Garatsa & Dlamini, 2021). According to Vesal *et al.* (2021), the Nigerian e-Government Master Plan has been remarkably successful, with digitalization initiatives helping to enhance accountability and transparency metrics in public service delivery by 25%.

According to Stavros *et al.* (2023), the "Huduma Kenya Programme" in Kenya has resulted in a notable 35% rise in citizen satisfaction ratings since its launch. This gain can be attributed to the creation of one-stop service centers and strong digital platforms. These programs highlight the revolutionary effects of digital services,

employee involvement, and communication channels on creating long-lasting connections between the public and private sectors, increasing productivity, and encouraging responsibility at all levels of government.

In the Tanzanian context, the drive towards digitalization and improved public service delivery reflects a broader national agenda for development and modernization. According to Lyimo & Theobard (2022), Tanzania has implemented several projects to use technology for governance, including the "e-Government Procurement System," which aims to improve the efficiency and openness of public procurement procedures (Chigwala, 2022). The initiatives taken by the Dodoma City Council, including the creation of the "Huduma Centre Dodoma," are in line with the government's goal of promoting citizen-centric municipal governance and increasing service accessibility. However, according to Mambo (2019), Tanzania has a lot of obstacles to overcome before achieving its digitization objectives, such as poor infrastructure and restricted access to technology in rural areas.

Furthermore, the issue of capacity-building persists and calls for the allocation of resources toward training and skill enhancement to guarantee that government employees can effectively utilize digital tools (Severine, 2019). Against this backdrop, this study sought to assess factors influencing sustainable customer relationships in the Local Government Authorities using social exchange theory and stakeholders theory with a special focus on Dodoma City Council as a case study.

#### 1.3 Statement of the Problem

Dodoma City Council is confronted with a challenge in establishing sustainable

customer relationships. The council's inability to effectively utilize digital technologies is a result of both infrastructure restrictions and a lack of capacity-building programs, despite its dedicated efforts towards digital transformation and service development (Severine, 2019). According to Chigwala (2022), this matter is critical since it directly affects the council's ability to effectively provide services and adapt to the changing requirements of its residents. Lyimo & Theobard (2022) indicated that if tthese barriers are not removed, the gap between public expectations and the council's capacity to provide services will eventually grow, which would lower public satisfaction, erode public confidence in government agencies, and possibly lower civic engagement. Such a situation compromises Tanzania's overarching objectives for inclusive and responsive governance in addition to undermining the council's basic mission to serve the people effectively.

Moreover, extensive research on community engagement has been conducted globally, including studies by Gulich *et al.* (2024), Ćurčić, Grubor & Muhović (2021), Danibrata (2017), Oncioiu *et al.* (2023) and Stavros *et al.* (2023). However, these studies vary in sampling methods and research approaches. Despite considerable attention to this topic, the assessment of factors influencing sustainable customer relationships in the Local Government Authorities, particularly the Dodoma City Council, remains largely unexplored. This study aims to bridge this knowledge gap by thoroughly assessing factors influencing sustainable customer relationships in the Local Government Authorities with a focus on Dodoma City Council.

#### 1.4 Research Objectives

The present study has been achieved based on the following general objective and specific objectives.

# 1.4.1 General Objective

The general objective of this study was to assess factors influencing sustainable customer relationships in the Local Government Authorities: A Case Study of Dodoma City Council.

# 1.4.2 Specific Objectives

The study had the following objectives:

- To examine the influence of communication channels on sustainable customer relationships.
- ii. To determine the influence of service digitalization on sustainable customer relationships.
- iii. To examine the influence of employee engagement on sustainable customer relationships.

#### 1.5 Research Questions

The study had the following questions:

- i. What is the influence of communication channels on sustainable customer relationships?
- ii. What is the influence of service digitalization on sustainable customer relationships?

iii. What is the influence of employee engagement on sustainable customer relationships?

# 1.6 Scope of the Study

Geographically, this study was restricted to the Dodoma City Council in Tanzania. Primary data was collected from the employees working at Dodoma City Council on the factors influencing sustainable customer relationships with the Local Government Authorities. The study was based mostly on primary data collection since they provided a more realistic conclusion to meet the objectives of the study. Specifically, the study examined the influence of communication channels, service digitalization and employee engagement on sustainable customer relationships in the Local Government Authorities.

#### 1.7 Significance of the Study

Researchers and academicians find this study enriching, as it contributes to the body of knowledge on public sector management, digital governance, and customer relationship dynamics, thereby informing future research endeavors and academic discourse in Tanzania and beyond. The results of this study provide the Tanzanian government with a significant understanding of the obstacles that impede the development of enduring customer relationships in the public sector. This understanding facilitates the formulation of policies and strategic planning initiatives that aim to improve service delivery and citizen engagement throughout the country.

Evidence-based suggestions for capacity-building programs and addressing

infrastructure constraints are helpful to policymakers in creating an environment that is favorable to digital transformation and citizen-centric government. The Dodoma City Council is expected to acquire pragmatic approaches to surmount challenges and maximize its endeavors in establishing sustainable bonds with its residents, so augmenting confidence and contentment.

#### 1.8 Organization of the Study

This research dissertation consists of five chapters, each serving specific purposes. Chapter One introduces the study's goals, presents the problem statement, and outlines research objectives. Chapter Two reviews relevant literature, expands the conceptual framework, and identifies gaps. It also introduces a conceptual framework detailing variable relationships. Chapter Three outlines research methods, including design, target population, sampling, instruments, validity, reliability, analysis, and ethics. Chapter four entails data presentation, analysis and discussions, while chapter five provides the summary, conclusions and recommendations of the study. References and appendices cover the last part of the study.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1 Overview

This chapter delves into the theoretical foundations that govern the factors influencing sustainable customer relationships in the Local Government Authorities, along with the relevant empirical research. Additionally, a conceptual framework is developed to visually represent the research variables.

# 2.2 Conceptual Definitions

#### 2.2.1 Communication Channels

Zhao *et al.* (2022) stated that communication channels refer to the various mediums or platforms through which information, messages, or interactions are exchanged between an organization and its customers. This can include more contemporary digital channels like email, social media, websites, and mobile applications, as well as more conventional ones like in-person interactions, phone conversations, and snail (Nambisan & Baron, 2019). In this study, "communication channels" refers to how the organization interacts with its constituents, encompassing both traditional and digital methods employed to facilitate dialogue, provide information, gather feedback, and address inquiries or concerns.

# 2.2.2 Service Digitalization

Han & Lee (2021) indicated that service digitalization entails the transformation of traditional service delivery processes and systems into digital formats, leveraging technology to enhance accessibility, efficiency, and effectiveness. It involves the

adoption of digital tools, platforms, and automation to streamline service provision, improve customer experience, and optimize resource utilization. This can encompass initiatives such as online portals, mobile applications, electronic forms, digital payment systems, and automated service workflows (Severine, 2019). In this study, service digitalization refers to Dodoma City Council's efforts to modernize service delivery through the integration of digital technologies, aiming to simplify access to public services, expedite transactions, and enhance overall service quality.

#### 2.2.3 Employee Engagement

According to Zhuang, et al., (2021), employee engagement refers to the extent to which employees are emotionally invested, motivated, and committed to their work and the goals of the organization. It encompasses factors such as job satisfaction, organizational commitment, empowerment, and opportunities for involvement and development. Mambo (2019) indicated that engaged employees are proactive, enthusiastic, and dedicated, leading to higher levels of productivity, job performance, and customer satisfaction. In this study, employee engagement pertains to the level of dedication and involvement exhibited by Dodoma City Council's staff in delivering services, fostering positive interactions with customers, and contributing to the council's overall effectiveness.

# 2.2.4 Sustainable Customer Relationships

According to Ferrer-Estévez and Chalmeta (2023), sustainable customer relationships denote enduring, mutually beneficial connections between an organization and its customers, characterized by trust, loyalty, and satisfaction over

time. These relationships are built on a foundation of transparency, responsiveness, and continuous value creation, fostering long-term loyalty and advocacy. Sustainable customer relationships go beyond mere transactions to cultivate a sense of partnership and mutual understanding between the organization and its clientele (Kotarba, 2018). In this study, sustainable customer relationships refer to the quality and longevity of the connections forged between Dodoma City Council and its constituents, encompassing the council's efforts to build trust, meet customer expectations, and sustain positive engagement for the betterment of both parties.

#### 2.3 Theoretical Literature Review

#### 2.3.1 Social Exchange Theory

Social Exchange Theory was first introduced by the sociologist George C. Homans in 1958 and later expanded upon by other scholars such as Peter M. Blau and Richard M. Emerson. According to the Social Exchange Theory, people interact with one another in social settings to maximize benefits and reduce costs. This is founded on the idea of reciprocity. This idea holds that people get into partnerships because they think the advantages of the relationship outweigh the disadvantages (Blau, 1964). These expenses and advantages might be financial, like gifts or material prizes, or they can be intangible, like companionship or emotional support. People evaluate the results of their encounters by weighing the benefits obtained against the expenses incurred, and they seek to stay in relationships that have the highest overall value (Nambisan & Baron, 2019).

One of this theory's strengths, according to Kotarba (2018), is that it may be applied

to a variety of social contexts, such as interpersonal relationships, organizational dynamics, and institutional interactions. The theory emphasizes the importance of exchanges and cost-benefit calculations, offering a helpful foundation for comprehending human behavior in a variety of contexts. Furthermore, Social Exchange Theory emphasizes how dynamic connections are, realizing that people constantly assess and modify their interactions in response to shifting conditions and expectations (Danibrata, 2017).

A drawback of this theory, according to Li *et al.* (2023), is that it emphasizes logical cost-benefit calculations, which may ignore the impact of social conventions, cultural values, and emotions on interpersonal relationships. Critics counter that relationships are shaped by a variety of elements, including altruism, reciprocity, and societal obligations, and that not all human conduct can be explained just by self-interest. Furthermore, the theory could oversimplify complex social phenomena by focusing too much on individual transactions and ignoring the larger social structures and power dynamics that influence social interactions (Čurčić, Grubor & Muhović, 2021).

This theory is relevant to this study as it provides a valuable framework for understanding the dynamics of interactions between Dodoma City Council and its constituents. The researcher used this theory to investigate how the general public perceives the benefits and drawbacks of dealing with the council through staff encounters, various communication channels, and digital service offers. Furthermore, Social Exchange Theory helped in creating strategies that support enduring client

relationships based on reciprocity and mutual trust by minimizing perceived costs and optimizing perceived benefits of interacting with the council.

# 2.3.2 Stakeholder Theory

Stakeholder Theory was first proposed by R. Edward Freeman in his seminal work "Strategic Management: A Stakeholder Approach" published in 1984. According to the theory, companies should take into account the expectations and interests of all parties involved in their decision-making processes, not just shareholders. "Any group or individual who can affect or is affected by the achievement of the organization's objectives" is what Freeman refers to as a stakeholder (Freeman, 1984). This expands the purview of corporate responsibility from just shareholders to include workers, clients, vendors, communities, and other parties with a stake in the operations of the company.

Stakeholder theory holds that companies have a moral and ethical duty to fairly consider the interests of all parties involved and to properly manage interactions with them. According to Li *et al.* (2023), this entails locating stakeholders, comprehending their requirements and worries, and taking their viewpoints into account when making decisions. By doing this, businesses may increase collaboration, develop trust, and add value for all parties involved—all of which lead to long-term success and sustainability (Rahman *et al.* 2019).

Stakeholder Theory's comprehensive approach to organizational management, which emphasizes the significance of addressing the varied interests of these interconnected stakeholder groups, is one of its strong points (Barendsen *et al.* 2021). Organizations may build a more inclusive and sustainable business model, reduce risks, and improve their reputation by taking into account stakeholders' needs in addition to those of shareholders. The difficulty of juggling competing stakeholder interests, which can result in difficult decisions and strategic trade-offs, is one limitation, though (Vesal *et al.* 2021).

Several scholars have contributed to the understanding of factors influencing sustainable customer relationships in public service settings, particularly within local government authorities. For instance, Kumburu (2020) emphasized that service quality, trust, and transparency significantly impact long-term relationships between citizens and local authorities in Tanzania. Similarly, Mwaipopo and Shayo (2021) found that responsiveness and citizen participation were critical in fostering loyalty and satisfaction in municipal service delivery.

These insights resonate with Masele and Mbise (2019), who argued that effective communication, accessibility, and complaint handling mechanisms are foundational in building sustainable relationships with the public. In the context of Dodoma City Council, these scholarly contributions guided the identification of key variables such as service reliability, transparency, citizen engagement, and feedback mechanisms, which were empirically tested to assess their influence on sustainable customer relationships. The Social Exchange Theory (SET) was adopted as the guiding theoretical framework in the study to explain the mutual interactions and expectations between customers (citizens) and the local government. According to

SET, individuals engage in relationships where the benefits outweigh the costs, and positive interactions are likely to lead to trust, loyalty, and long-term engagement (Blau, 1964).

In the Dodoma City Council case, the theory helped explain how citizens are more likely to sustain relationships with the council when they perceive fairness, responsiveness, and reciprocity in service delivery. For instance, when the council promptly addresses citizen complaints or provides accurate information, residents feel valued and are more willing to cooperate and support public programs. Thus, Social Exchange Theory provided a solid foundation for analyzing how relational exchanges, trust, and satisfaction shape sustainable relationships in the local government context.

The theory holds significance in this research as it offers a useful structure for examining the dynamics of stakeholder relationships inside the Dodoma City Council. The researcher assessed the ways in which effective communication channels, digitization initiatives, and employee engagement strategies foster cooperation and the growth of trust among stakeholders citizens, workers, public servants, and community organizations as well as the satisfaction of their diverse needs. Researcher was able to recognize and understand the requirements and expectations of various stakeholders with the help of this theory. Stakeholder theory helped the researcher better understand the complex interactions that exist between the council and its constituents, guiding attempts to enhance public service delivery and create enduring customer relationships.

#### 2.4 Empirical Literature Review

#### 2.4.1 Worldwide Studies

Binsaeed, et al., (2023) explored the enhancement of customer engagement and innovation performance through customer relationship management capabilities (CRMCs), with a focus on their implications for SMEs in Saudi Arabia. Investigating 491 owners/managers, the study assessed CRMCs' predictive power on customer engagement and innovation performance, with customer engagement also tested as a mediator. Moreover, the moderating role of distrust in the CRMCs-customer engagement link was examined. Findings indicated a positive relationship between CRMCs and both customer engagement and innovation performance. Furthermore, customer engagement emerged as a mediator between CRMCs and innovation performance, while distrust moderated the CRMCs-customer engagement relationship. This research contributes to marketing management theory by elucidating the role of CRMCs in fostering innovation performance, emphasizing their significance for SMEs' sustainable development and market integration.

Stavros *et al.* (2023) explored the relationship between business communication and business sustainability during uncertain times. Data were collected through questionnaires from 138 business owners or employees of SMEs in the manufacturing sector of Kozani, Greece. The results indicate that internal business communication positively affects business sustainability during uncertainty, with horizontal and external communication also exerting positive effects. Effective communication, both internally and externally, is crucial for organizational resilience, particularly in service industries where human interaction is paramount.

The findings underscore the importance of clear, direct, and accurate communication for enhancing business continuity and constructing sustainable plans amidst uncertainty.

Ćurčić, Grubor & Muhović (2021) explored the influence of customer relationship marketing (CRM) and institutional support on the sustainability of women's enterprises (WES) in Serbia. Drawing on a sample of 220 female-operated enterprises, shops, and cooperatives, primarily in service sectors, the study revealed CRM's significant impact on WES. It highlighted market orientation and customer loyalty as critical factors contributing to the sustainability and resilience of these businesses. The study indicated that traditional service delivery methods may still be preferred by certain demographics or in specific contexts where digital access is limited or less preferred due to personal or cultural reasons. Moreover, the findings underscored the significance of government policies and measures, shedding light on the insufficient attention given to WES and the Sustainable Development Goals' gender equality objectives in the realm of feminist economics.

Danibrata (2017) investigated the impact of information technology, customer relationship management, service personalization, and communication on customer loyalty. The study collected primary data through structured sampling methods targeting savings bank account holders of state-owned banks in Jakarta, Indonesia. Using questionnaire surveys randomly distributed across various locations in Jakarta, the data was processed to analyze the relationship between independent and dependent variables. Regression analysis was employed to test hypotheses, revealing

that information technology, customer relationship management, service personalization, and communication significantly influence customer loyalty. The study indicated that digital transformation initiatives enhance operational efficiency and customer satisfaction through streamlined processes and user-centric interfaces. The study suggests actionable recommendations for state-owned banks to enhance customer loyalty through the strategic deployment of modern information technology.

Gulich, et al., (2024) investigated the capacity of internal sustainability communication to shape the corporate culture within sustainable companies. The study involved conducting 15 qualitative expert interviews, selecting interviewees from a pool of the top 200 sustainable companies in Germany. It revealed diverse potentials of internal sustainability communication in molding corporate culture, emphasizing increasing focus on ecological and social sustainability while underscoring a relative neglect of the economic dimension. The findings found inconsistent communication and delays in addressing customer concerns often lead to dissatisfaction and erosion of trust in service providers. However, the study emphasizes the necessity of considering contextual factors within each corporate culture, such as structural and personnel premises, to optimize the exploitation of identified potentials.

Li, Lin & Zhang (2023) evaluated the impact of management information systems (MIS) usage on employee behavior, knowledge, customer behavior (satisfaction, loyalty), and the effectiveness of sustainable customer relationship management

(CRM) in the online shopping context. Employing the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique, the study analyzed data from 293 employees and managers in private organizations. Results demonstrated that MIS usage, employee behavior and knowledge, customer satisfaction, and loyalty significantly influence the efficacy of sustainable CRM in online shopping. Additionally, the study indicated that the adoption of digital technologies enhances organizational trust and perceived commitment to modernization and innovation.. However, it did not find conclusive evidence for the moderating impact of employee behavior and knowledge on customer satisfaction and the effectiveness of sustainable CRM.

#### 2.4.2 Studies in African Countries

Axelsson (2023) explored the impact of sustainability communication on brand association value creation within the food and beverage industry. The study utilized an experimental approach, employing an online questionnaire where respondents were randomly assigned to experimental conditions. Focused on the coffee sector, participants were presented with communication samples from a coffee brand, half of which highlighted sustainability while the rest did not.

Statistical analysis using the SPSS platform assessed hypothesized causal relationships, yielding non-significant results in hypothesis testing. However, correlation analysis unveiled robust associations between sustainability perceptions and key aspects of brand value creation, such as Differentiation and positioning, Reason-to-buy, and Positive feelings and attitudes, suggesting promising avenues for

further investigation. The study also found that organizational cultures lacking in supportive resources and responsive employee behaviors often struggle to foster customer satisfaction and loyalty.

Garatsa and Dlamini (2021) investigated the factors influencing the adoption of CRM by Small and Medium Enterprises (SMEs) in Kwa-Zulu Natal (KZN). The study aimed to dispel the misconception that CRM is solely a technological solution, emphasizing its role as a holistic strategy that should permeate the entire organization. It highlighted the importance of integrating organizational, environmental, technological, and information culture factors to facilitate well-informed decisions regarding CRM adoption strategies. The research was motivated by the scarcity of studies examining CRM adoption by SMEs in KZN. Despite challenges associated with CRM adoption and implementation, such as organizational resistance and technological complexities, the study underscores the significant potential benefits for SMEs, suggesting that their future prosperity may hinge on successful CRM adoption and implementation.

Oncioiu et al. (2023) investigated the impact of integrated digital communication on green customers' behavior in multichannel retailing. Data were collected from 396 respondents with multichannel retailing experience and analyzed using structural equation modeling (SEM). The study found that the absence of employee recognition and appreciation negatively impacts organizational culture and diminishes long-term customer relationships. The study underscores the importance of planning, implementing, and regulating multichannel communication and recognizing the unique demands of green customers in retail settings.

# 2.4.3 Empirical Studies in Tanzania

Lyimo and Theobard (2022) conducted a study to explore the impact of Customer Relationship Management (CRM) on Customer Satisfaction within the Arusha Urban Water Supply and Sanitation Authority (AUWSA). Employing a case study research design, the study utilized both quantitative and qualitative methodologies. The research targeted customers of water supply and sanitation services as well as AUWSA staff. The findings revealed that Information Technology plays a crucial role in enhancing customer service delivery and reducing customer complaints, paperwork, and errors in operational activities. Additionally, staff competence was found to guide management in improving customer services, with specific core competencies integrated into the employee selection process to ensure the provision of quality services. Moreover, effective management was identified as essential for enhancing business operations efficiency and promoting customer satisfaction through service delivery. The study suggests further research to explore the influence of CRM on customer satisfaction in other service industries in Tanzania.

Mambo (2019) examines the relationship between customer relationship management and customer satisfaction in telecommunication industry in Tanzania. The study focused on Tigo Tanzania, using customer data collected via questionnaires distributed among Tigo shop customers in Dar es Salaam. Out of 380 questionnaires distributed, 354 were returned, yielding a response rate of 93.2%. The study treated CRM dimensions (tangibles, reliability, responsiveness, assurance, and empathy) as independent variables and customer satisfaction as the dependent variable. Simple random sampling was utilized, and SPSS version 16 facilitated data

analysis via multiple linear regression. The study applied SERVQUAL model dimensions. Results indicated a strong correlation between CRM and customer satisfaction, crucial for Tigo Tanzania's success. Notably, responsiveness, assurance, tangibility, and empathy significantly influenced customer satisfaction. Policymakers were encouraged to consider various service quality dimensions to enhance service quality.

#### 2.5 Research Gap

The existing literature provides valuable insights into various aspects of sustainable customer relationships, yet significant research gaps remain to be addressed. While studies such as Stavros, *et al.*, (2023) have examined the relationship between business communication and sustainability in times of uncertainty, there is a scarcity of research focusing specifically on how communication channels influence sustainable customer relationships within the public sector. Additionally, while Ćurčić, *et al.*, (2021) have explored the influence of customer relationship marketing on sustainability in women's companies, there is a notable gap in understanding how customer relationship marketing strategies can be effectively implemented in the public sector context to enhance sustainable customer relationships.

Furthermore, while studies like Gulich, *et al.*, (2024) have investigated internal sustainability communication within organizations, there is limited research on how internal communication practices, particularly regarding service digitalization and employee engagement, impact sustainable customer relationships in the public sector. Moreover, although Ferrer-Estévez and Chalmeta (2023) have discussed

sustainable customer relationship management, there is a need for empirical studies examining the specific influence of service digitalization and employee engagement on sustainable customer relationships, particularly within the context of public sector organizations like Dodoma City Council. Therefore, this study aims to bridge these gaps by empirically examining the influence of communication channels, service digitalization, and employee engagement on sustainable customer relationships in the Local Government Authorities, thus contributing to both academic literature and practical implications for public sector organizations.

## 2.6 Conceptual Framework

The conceptual framework is the outcome of a researcher conceptualizing the link between variables in a study and diagrammatically depicting the relationship. The independent variables are communication channels, service digitalization, and employee engagement. The dependent variable is sustainable customer relationships. The conceptual framework depicted in Figure 2.1 guided this research.

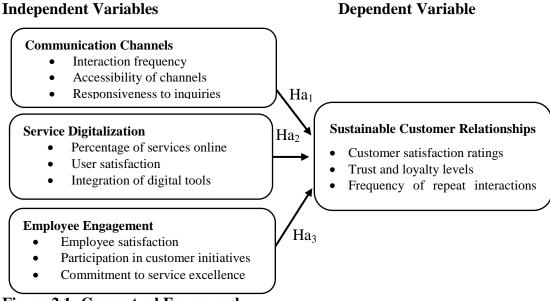


Figure 2.1: Conceptual Framework

Source: Researcher (2024).

## **2.6.1** Hypotheses Development

Effective communication is a cornerstone of building and maintaining sustainable customer relationships in the public sector. In the context of LGAs, accessible and responsive communication channels such as mobile platforms, notice boards, websites, and in-person service desks enable timely dissemination of information and promote transparency.

According to Masele and Mbise (2019), open and consistent communication enhances trust and accountability between citizens and public institutions. Additionally, Kumburu (2020) argues that clear communication helps reduce misunderstandings and encourages citizen participation, which contributes to improved service satisfaction and loyalty. Thus, well-established communication channels play a crucial role in fostering long-term and sustainable relationships between local governments and their constituents.

 $Ha_1$  Communication channels influence positively sustainable customer relationships in the Local Government Authorities.

The adoption of digital technologies in service delivery, such as online payment systems, digital records, and e-feedback platforms, has significantly transformed how local governments interact with citizens. Digitalization enhances efficiency, accessibility, and responsiveness, thereby strengthening sustainable relationships. According to Ndunguru and Kalimang'asi (2021), digital government services improve convenience and reduce the time and cost citizens spend accessing services, leading to increased satisfaction. Furthermore, Mtey and Nzilano (2020) highlight that digitalization builds trust when systems are transparent and reliable. In Dodoma City Council, for instance, platforms like mobile service notifications and online billing systems have contributed to improved citizen engagement and sustained trust in service provision.

Ha<sub>2</sub>: Service digitalization influences positively sustainable customer relationships in the Local Government Authorities.

Employee engagement is essential in public service delivery, as motivated and committed employees are more likely to provide high-quality, citizen-centered services. Engaged employees show greater accountability, empathy, and responsiveness, which are key drivers of customer satisfaction and trust. Kagaari and Munene (2022) assert that employee involvement in decision-making and service innovation enhances public confidence and strengthens service relationships. Similarly, Mwaipopo and Shayo (2021) found that employees who are adequately

trained and empowered are more effective in managing citizen needs, thus fostering loyalty and long-term relationships. In local government settings, employee attitudes and behaviors directly influence public perceptions and the sustainability of relationships between institutions and the communities they serve.

Ha<sub>3</sub>: Employee engagement influences positively sustainable customer relationships in the Local Government Authorities.

## 2.6.2 Conceptualization of Variables

The independent variables in this study encompass three main constructs: communication channels, service digitalization, and employee engagement, which collectively influence sustainable customer relationships within Dodoma City Council. Communication channels refer to the avenues through which the council interacts with its customers, encompassing the frequency and accessibility of communication, as well as the responsiveness to inquiries and feedback. Service digitalization involves the extent to which the council adopts digital platforms and integrates technology into service delivery processes, impacting user satisfaction and the efficiency of transactions. Employee engagement reflects the commitment and involvement of council staff in customer-centric initiatives, influencing the quality of service provision and customer experiences. Together, these variables contribute to the establishment of sustainable customer relationships characterized by high levels of satisfaction, trust, and loyalty, crucial for fostering long-term engagement and positive outcomes for both the council and its constituents.

#### **CHAPTER THREE**

## RESEARCH METHODOLOGY

#### 3.1 Overview

This chapter includes a list of the methods applied to the research analysis. This chapter discusses the study's methodology with an emphasis on sampling, population, data gathering, and data analysis techniques as well as ethical considerations.

## 3.2 Research Philosophy

This study adopted a positivist approach. Positivism emphasizes the use of empirical evidence and scientific methods to understand social phenomena objectively (Patton, 2015). Positivism sought to uncover causal relationships between variables, providing a structured framework for understanding and predicting social phenomena (Choy, 2014). By adopting a positivist philosophy, this study aims to uncover the factors influencing sustainable customer relationships within the public sector in a systematic and replicable manner, facilitating the generation of reliable and generalizable insights.

## 3.3 Research Approach

This study employed a quantitative research approach, which emphasizes the collection and analysis of numerical data to test hypotheses and identify patterns or correlations (Daniel, 2016). Quantitative research enables the researcher to quantify variables and establish statistical relationships, offering a rigorous and objective means of investigating complex phenomena (Disman & Barliana, 2017). By

employing quantitative methods, this study sought to quantitatively measure the influence of communication channels, service digitalization, and employee engagement on sustainable customer relationships within Dodoma City Council, providing empirical evidence to support theoretical propositions and practical interventions.

## 3.4 Research Design and Strategy

This study adopted a descriptive research design and survey strategy. Descriptive research aims to describe the characteristics of a population or phenomenon, providing a snapshot of the current state of affairs (Fry *et al.*, 2017). A survey strategy allows for the systematic collection of data from a representative sample of the population, enabling the researcher to gather information on attitudes, perceptions, and behaviors related to sustainable customer relationships (Choy, 2014). Through descriptive research and surveys, this study gathered quantitative data to assess the influence of communication channels, service digitalization, and employee engagement on sustainable customer relationships within Dodoma City Council.

## 3.4.1 Area of the Study

This study was conducted at Dodoma City Council, as it serves as a pertinent site for investigating the factors influencing sustainable customer relationships within the public sector. Dodoma City Council confronts significant infrastructural limitations and a lack of capacity-building initiatives, posing challenges to the effective utilization of digital tools (Dodoma City Council, 2024). This issue is paramount,

given its direct impact on the council's ability to adapt to the evolving needs of its constituents and deliver services efficiently. By concentrating on the Dodoma City Council, this research sought to illuminate the particular difficulties encountered by a Tanzanian local government body. Thus, offering contextually appropriate understandings that can guide focused interventions and policy changes meant to boost customer relations and service delivery in the public sector.

## 3.4.2 Population of the Study

In this study, the population comprises 340 employees working at Dodoma City Council, representing the workforce directly involved in delivering services and interacting with customers of the council. The choice of this population aligns with the research objective of evaluating the influence of employee engagement on sustainable customer relationships in the Local Government Authorities.

## 3.4.3 Sample Size and Sampling Techniques

For this study, a sample size of 184 respondents was used, chosen to strike a balance between obtaining sufficient data for robust analysis and ensuring practicality in data collection and management. The selection of this sample size is guided by considerations of statistical power and precision, aiming to provide reliable insights into the variables under investigation (Daniel, 2016). Simple random sampling was employed as the sampling method, allowing every employee within Dodoma City Council's workforce to have an equal opportunity to be included in the study. This approach not only enhances the representativeness of the sample but also minimizes selection bias, thus strengthening the validity and generalizability of the study

findings (Disman & Barliana, 2017). The estimate of sample size was done using the formula below as shown by Yamane (1967);

$$n = \frac{N}{1 + N \varepsilon^2}$$

$$n = \frac{340}{1 + 340.e^2} = 184$$

Where n = number of samples, N = total population; e = standard error of sampling (5%).

**Table 3.1: Sample Size** 

<b>Departments and Units</b>	Population	Sample Size	Percent
Finance and Accounts Unit	10	5	3
Human Resource Management and	6		2
Administration Division		3	2
Capital Development Division	22	12	7
Internal Audit Unit	15	9	5
Education Division	52	28	15
Urban Farming Division	28	15	8
Legal Services Unit	20	11	6
Planning and Coordination Division	19	10	5
Waste Management and Sanitation Unit	52	28	15
Industry, Trade and Investment Division	54	30	16
Community Development Division	52	28	15
Sports, Culture, and Arts Unit	10	5	3
TOTAL	340	184	100

Source: Researcher, (2024).

## 3.5 Data Collection

In this study, combinations of primary and secondary data collection methods were employed to ensure a comprehensive understanding of the factors influencing sustainable customer relationships in the Local Government Authorities. Primary data was gathered through the administration of closed-ended questionnaires. This method was chosen for its ability to efficiently collect data from a large sample size, allowing participants to express their opinions on a range of statements related to communication channels, service digitalization, employee engagement, and sustainable customer relationships. The five-point Likert scale was utilized to measure respondents' degree of agreement or disagreement with each statement, providing nuanced insights into their perceptions and experiences.

Additionally, secondary data was collected through a thorough review of relevant documents, including reports, policy documents, and existing literature on the topic. Document review is instrumental in providing context, validating findings, and supplementing primary data with existing knowledge (Choy, 2014). By triangulating primary and secondary data sources, this study aims to enhance the validity and reliability of its findings, offering a robust foundation for analysis and interpretation.

#### 3.5.1 Variable Measurement

Table 3.2 presents the variables with their measurement. The independent variables are communication channels, service digitalization, and employee engagement. The dependent variable is sustainable customer relationships.

**Table 3.2: Variable Measurement** 

Variable	Measurement	Source
Communication	Interaction frequency	Gulich et al. (2024)
Channels	Accessibility of channels	Li, Lin & Zhang (2023)
	Responsiveness to inquiries	Ćurčić, Grubor & Muhović
	_	(2021)
Service	Percentage of services online	Danibrata (2017)
Digitalization	User satisfaction	Oncioiu et al. (2023)

	Integration of digital tools	Stavros <i>et al.</i> (2023)		
Employee	Employee satisfaction	Lyimo and Theobard		
Engagement	Participation in customer	(2022)		
	initiatives	Garatsa and Dlamini (2021)		
	Commitment to service excellence	Axelsson (2023)		
Sustainable	Customer satisfaction ratings	Binsaeed et al. (2023)		
Customer	Trust and loyalty levels	Ćurčić, Grubor & Muhović		
Relationships	Frequency of repeat interactions	(2021)		
		Stavros <i>et al.</i> (2023)		

Source: Researcher, (2024).

## 3.6 Data Analysis

To analyze the collected data, a combination of descriptive and inferential statistical techniques was employed using SPSS version 26. Descriptive statistics was used to summarize and present the characteristics of the sample and key variables, providing a clear snapshot of the data (Daniel, 2016). Inferential statistics, including correlation analysis and linear regression, was utilized to explore relationships between variables and identify significant predictors of sustainable customer relationships. Correlation analysis, specifically Pearson correlation, was employed to assess the strength and direction of associations between communication channels, service digitalization, employee engagement, and sustainable customer relationships. Furthermore, a linear regression model was specified to examine the combined influence of these independent variables on the dependent variable, following the equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

 $Y = \text{Sustainable Customer Relationships}; X_1, X_2, \text{ And } X_3 = \text{Communication Channels,}$ Service Digitalization, And Employee Engagement, respectively;  $\beta_0 = \text{Intercept}; B_1,$  $B_2 \text{And } B_3 = \text{Coefficients}; \varepsilon = \text{error term.}$ 

## 3.7 Data Cleaning and Processing

In the data cleaning and processing phase, meticulous steps were undertaken to ensure the accuracy, consistency, and reliability of the collected data. This involves scrutinizing the responses from the closed-ended questionnaires to identify any inconsistencies, missing values, or outliers that may skew the analysis (Daniel, 2016). Measures were implemented to address these issues, such as imputing missing data through appropriate methods or excluding outliers that significantly deviate from the norm. Additionally, data was coded and organized systematically to facilitate efficient analysis.

Once cleaned and processed, the data was assessed to ensure it meets the assumptions of statistical tests and is suitable for meaningful interpretation. This phase is crucial for preparing the data for analysis, laying the groundwork for deriving valuable insights into the factors influencing sustainable customer relationships within the public sector.

## 3.8 Validity of the Instrument

To ascertain the validity of the data collected, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test was employed as well as or construct validity. Choy (2014) discusses the importance of validity in research methodology, emphasizing the need to ensure that the data accurately represents the constructs being measured. The KMO measure assesses the adequacy of the sample for conducting factor analysis, while Bartlett's test evaluates whether correlations between variables are significantly different from zero. The study sought to validate the research

instrument and confirm that it effectively measures the intended constructs, thereby enhancing the overall rigor and credibility of the research outcomes by employing these tests.

Table 3.3: KMO and Bartlett's Test

KMO and Bartlett's Test					
Kaiser-Meyer-Olkin Measure of Sampling Adequacy782					
Bartlett's Test of Sphericity	395.159				
	6				
	Sig.	.000			

Source: Researcher, (2024).

Table 3.3 presents the results of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity, assessing the suitability of data for factor analysis. The KMO measure yielded a value of .782, indicating that the data are sufficiently adequate for conducting factor analysis. Additionally, Bartlett's test of sphericity was statistically significant with an approximate chi-square value of 395.159 and 6 degrees of freedom (df), yielding a p-value of .000. This suggests that correlations between variables are sufficiently large for factor analysis to be meaningful.

## 3.9 Reliability of the Instrument

In ensuring the reliability of data collected for this study, Cronbach's alpha was employed. Cronbach's alpha provides a reliability coefficient ranging from 0 to 1, where higher values indicate increased dependability. As Patton (2015) emphasizes, a Cronbach's alpha value of 0.70 or higher is considered excellent for ensuring

minimal reliability. The study attempted to evaluate the internal consistency of the data collected across various variables by using this statistical measure, which improved the validity and reliability of the research findings.

Table 3.4: Cronbach's Alpha

Variable	Cronbach's Alpha	N of Items
Communication Channels	.849	8
Service Digitalization	.768	8
Employee Engagement	.860	8
Sustainable Customer Relationships	.818	9

Source: Field Data (2024).

Table 3.4 presents the Cronbach's alpha reliability coefficients for the variables in this study, including communication channels, service digitalization, employee engagement, and sustainable customer relationships. The results indicate high internal consistency for each construct, with Cronbach's alpha values of .849 for communication channels, .768 for service digitalization, .860 for employee engagement, and .818 for sustainable customer relationships.

These values suggest that the items within each construct reliably measure their intended dimensions. Particularly noteworthy is the robust reliability of employee engagement and communication channels, which exceed the commonly accepted threshold of .7, indicating strong internal coherence in their measurement. These findings imply that the survey instruments used in assessing these variables are reliable, providing a solid foundation for interpreting the relationships and implications drawn from the study's results.

#### 3.10 Ethical Consideration

In adherence to ethical considerations, this research upholds the standards stipulated by the Open University of Tanzania. Ethical guidelines, as outlined by Daniel (2016), are paramount in safeguarding the rights and well-being of research participants and maintaining the integrity of the research process. Measures such as obtaining informed consent, ensuring confidentiality and anonymity of participants, and providing proper acknowledgment through references and citations were strictly adhered to. Furthermore, the research prioritized the avoidance of plagiarism, as emphasized by Disman and Barliana (2017), ensuring that all sources are appropriately cited and credited.

#### **CHAPTER FOUR**

## FINDINGS AND DISCUSSION

#### 4.1 Introduction

The purpose of this study was to assess factors influencing sustainable customer relationships in the Local Government Authorities with a specific focus on the of Dodoma City Council. This chapter comprehensively presents and analyzes the research data. Data were analysed using mean scores and standard deviation hence visually depicted in tables and figures.

## 4.2 Response Rate

This study achieved an impressive response rate of 83%, with 153 out of 184 distributed questionnaires returned and analyzed. This rate significantly exceeds the 60% benchmark recommended by Creswell (2018) for obtaining valuable insights. The high participation level was a result of deliberate efforts to engage all relevant individuals. Personalized invitations and clear instructions about the study's objectives ensured a thorough understanding, which encouraged strong involvement. These strategies were key in achieving substantial participation, providing a robust dataset for analysis.

## 4.3 Demographic Information

It is essential to comprehend the demographics of the sample group since they provide light on the makeup and variety of the research participants. This information includes key demographic variables such as age, gender, educational background, and professional experience, which offer a comprehensive understanding of the study's sample and its relevance to the research objectives.

#### 4.3.1 Gender Distribution

Figure 4.1 revealed that the gender distribution among employees at Dodoma City Council is predominantly male. Out of 153 respondents, 87 (56.9%) were male, and 66 (43.1%) were female. This indicates a significant presence of male employees compared to female employees within the council. This gender imbalance suggests that while there is a considerable female representation, efforts could be made to further improve gender diversity. Promoting gender balance can lead to a more inclusive work environment, which can enhance diverse perspectives and decision-making processes within the council.



Figure 4.1: Gender Distribution

Source: Field Data (2024).

## **4.3.2** Age Distribution

As depicted in figure 4.2, age distribution of employees at Dodoma City Council shows a significant concentration in the middle age groups. Specifically, 35–44-year-olds make up the largest group with 64 employees (41.8%), followed by the 25–34-

year-olds with 47 employees (30.7%). There are fewer employees in the younger age group of 18-24 years (2.6%) and older age groups of 45-54 years (13.7%) and 55 and above (11.1%). This distribution indicates that the council has a mature workforce with substantial experience. However, it also implies a potential need for succession planning and the incorporation of younger talent to ensure the longevity and vitality of the council's workforce.

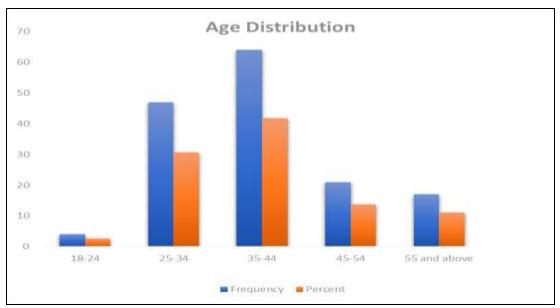


Figure 4.2: Age Distribution

Source: Field Data (2024).

#### 4.3.3 Education Level

The education level of employees at Dodoma City Council as shown Figure 4.3 is predominantly high, with the majority holding a bachelor's degree (58.8%), followed by those with a diploma (22.9%) and a master's degree (17.0%). Only small fractions have attained a doctorate (1.3%). This distribution implies that Dodoma City Council benefits from a well-educated workforce, which is essential for informed decision-

making and effective service delivery. The prevalence of Bachelor's and Master's degrees suggests that employees are equipped with substantial knowledge and skills relevant to their roles. To further enhance capabilities, the council might consider encouraging continuous professional development and supporting employees in pursuing higher education, including Doctorate degrees.

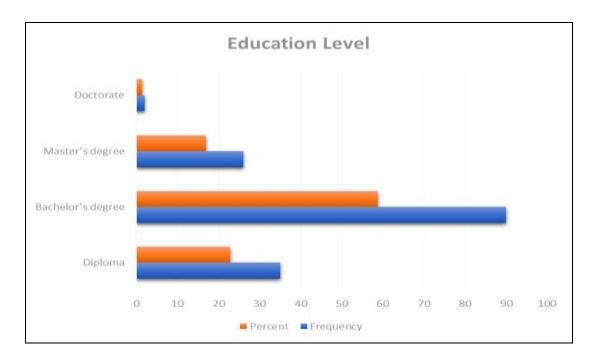


Figure 4.3: Education Level

Source: Field Data (2024).

## **4.3.4 Years of Experience**

Regarding years of experience, as shown in Figure 4.4, the study revealed that employees at Dodoma City Council have varied tenures, with the largest group having 6-10 years of experience (36.6%), followed by those with 1-5 years (34.6%). Employees with more than 10 years of experience constitute 16.3%, and those with less than 1 year make up 12.4%. This distribution indicates a mix of both seasoned

and relatively new employees, which provide a balanced blend of experience and fresh perspectives. To maximize this advantage, the council should implement mentorship programs to facilitate knowledge transfer and continuous learning.



Figure 4.4: Years of Experience

Source: Field Data (2024).

## 4.3.5 Training and Professional Development

Fig. 4.5 shows that a substantial proportion of employees receive regular training and professional development, with 37.9% participating regularly and 24.2% frequently. but, 26.8% receive training occasionally, and 11.1% do not receive any training. This highlights the council's commitment to continuous learning but also indicates a need to ensure that all employees have equitable access to professional development opportunities. Enhanced training programs could lead to improved job performance, higher employee satisfaction, and better service delivery to the community.

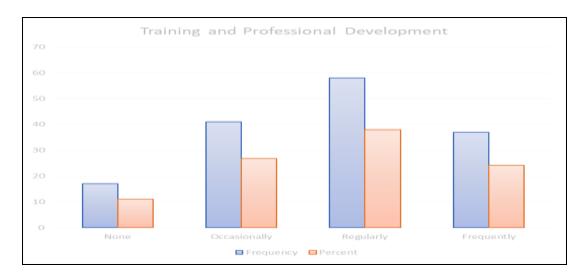


Figure 4.5: Training and Professional Development

Source: Field Data (2024).

## 4.3.6 Work Schedule

The majority of employees at Dodoma City Council shown in Figure 4.6 work full-time (79.1%), with a smaller portion working part-time (20.9%). This full-time workforce suggests a stable and committed group of employees, which is beneficial for maintaining consistent service levels and operational stability. The presence of part-time employees can also provide flexibility and adaptability to fluctuating workloads. Ensuring that both full-time and part-time employees are adequately supported and engaged can further enhance productivity and job satisfaction across the council.

#### WORK SCHEDULE

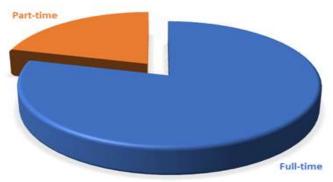


Figure 4.6: Work Schedule

Source: Field Data (2024).

## 4.4 Communication Channels on Sustainable Customer Relationships

The first objective of this study examined the influence of communication channels on sustainable customer relationships in the Dodoma City Council. The statement provided to respondents and the findings are presented in the table 4.1. The study found that communication through various channels significantly contributes to fostering sustainable customer relationships (Mean = 4.3, SD = 0.7). This implies that the diverse use of communication methods such as email, phone, and in-person interactions effectively strengthens the Council's relationships with its customers, reflecting a robust level of engagement and satisfaction. Findings revealed that regular communication updates moderately enhance trust and satisfaction among customers (Mean = 3.3, SD = 0.7). This implies that while consistent updates contribute positively to customer perceptions, there is room for further improvement in ensuring more impactful communication strategies to bolster trust and satisfaction.

**Table 4.1: Communication Channels on Sustainable Customer Relationships** 

<b>Communication Channels</b>	N	Mean	SD	Interpretation
Communication through various channels (e.g., email, phone, inperson) is effective in fostering sustainable customer relationships.	153	4.3	0.7	Large Extent
Regular communication updates enhance trust and satisfaction among customers.	153	3.3	0.7	Moderate Extent
The accessibility of communication channels positively impacts the ease of interaction.	153	4.3	0.8	Large Extent
Clear and timely communication facilitates problem resolution and customer support.	153	3.0	1.3	Moderate Extent
The responsiveness of communication channels influences my perception of commitment to customer satisfaction.	153	3.6	1.5	Large Extent
Consistent communication through preferred channels enhances my loyalty.	153	3.5	1.2	Large Extent
The clarity of information provided through communication channels affects my confidence in services.	153	2.8	1.1	Moderate Extent
Communication channels that allow for feedback and dialogue contribute to the improvement of sustainable customer relationships.	153	3.5	1.1	Large Extent
COMPOSITE MEAN		3.54		

Source: Field Data (2024).

Research findings indicated that the accessibility of communication channels significantly enhances the ease of interaction (Mean = 4.3, SD = 0.8). This suggests that ensuring accessible communication methods such as user-friendly platforms and readily available contact points can greatly facilitate smooth interactions between the Council and its customers, thereby improving overall service delivery. The study found that clear and timely communication moderately facilitates problem resolution

and customer support (Mean = 3.0, SD = 1.3). This implies that while effective communication practices contribute to resolving issues and supporting customers, there is a need for clearer protocols and improved timeliness to enhance customer satisfaction further.

Findings showed that the responsiveness of communication channels significantly influences perceptions of commitment to customer satisfaction (Mean = 3.6, SD = 1.5). This suggests that prompt responses and proactive engagement through communication channels are crucial in demonstrating the Council's dedication to meeting customer needs, thereby fostering stronger trust and satisfaction. The study indicated that consistent communication through preferred channels substantially enhances customer loyalty (Mean = 3.5, SD = 1.2). This implies that prioritizing and maintaining communication channels preferred by customers significantly contribute to building long-term loyalty and satisfaction, thereby benefiting the Council's overall customer relationship management strategies.

Research findings suggested that the clarity of information provided through communication channels moderately affects confidence in services (Mean = 2.8, SD = 1.1). This highlights the importance of ensuring clear and comprehensible communication to enhance customer confidence in the Council's services, indicating opportunities for improving information clarity and accessibility. Findings revealed that communication channels enabling feedback and dialogue significantly contribute to improving sustainable customer relationships (Mean = 3.5, SD = 1.1). This suggests that fostering open channels for customer input and dialogue enhances

engagement and promotes a culture of responsiveness within the Council, ultimately strengthening customer relationships and service delivery. The composite mean of 3.54 across these findings indicates a generally positive perception of communication channels' influence on sustainable customer relationships within Dodoma City Council.

## 4.5 Influence of Service Digitalization on Sustainable Customer Relationships

The second objective of this study determined the influence of service digitalization on sustainable customer relationships in the Dodoma City Council. The statement provided to respondents and the findings are presented in the table 4.2. Findings revealed that the availability of online services improves convenience and accessibility for customers to a moderate extent (Mean = 3.3, SD = 1.4). This suggests that while online services offer increased convenience, there is room for improvement to enhance accessibility further and maximize customer satisfaction. The study found that digital platforms for service delivery enhance the efficiency and speed of transactions to a large extent (Mean = 3.6, SD = 1.1). This indicates that leveraging digital platforms significantly streamlines service processes, making them more efficient and responsive to customer needs.

Findings shown that the user-friendliness of digital interfaces positively influences satisfaction with services to a large extent (Mean = 3.9, SD = 0.8). This emphasizes the importance of designing intuitive and easy-to-use digital interfaces to enhance overall customer satisfaction. The study found that the integration of digital tools and technology enhances trust in commitment to innovation and modernization to a

moderate extent (Mean = 3.4, SD = 1.2). This suggests that while digital integration signals innovation, there is potential to further strengthen trust through more robust technological implementations.

Table 4.2: Influence of Service Digitalization on Sustainable Customer Relationships

Service Digitalization	N	Mean	SD	Interpretation
The availability of online services				
improves convenience and accessibility	153	3.3	1.4	Moderate Extent
for customers.				
Digital platforms for service delivery				
enhance the efficiency and speed of	153	3.6	1.1	Large Extent
transactions.				
The user-friendliness of digital interfaces				
positively influences my satisfaction with	153	3.9	0.8	Large Extent
services.				
The integration of digital tools and				
technology enhances my trust in	153	3.4	1.2	Moderate Extent
commitment to innovation and	133	3.4	1.2	Wioderate Extent
modernization.				
Service digitalization enhances my				
perception of responsiveness to evolving	153	2.9	1.2	Moderate Extent
customer needs and preferences.				
The reliability of online services				
contributes to the establishment of	153	3.7	1.4	Large Extent
sustainable customer relationships.				
Digitalization initiatives positively				
impact my overall experience as a	153	3.9	0.7	Large Extent
customer.				
The security measures implemented in				
digital platforms influence my confidence	153	3.9	0.4	Large Extent
in sharing personal information.				
COMPOSITE MEAN		3.58		

Source: Field Data (2024).

Findings revealed that service digitalization enhances perception of responsiveness to evolving customer needs and preferences to a moderate extent (Mean = 2.9, SD =

1.2). This indicates that while digitalization contributes to responsiveness, there are opportunities to better align services with dynamic customer expectations. The study found that the reliability of online services contributes to the establishment of sustainable customer relationships to a large extent (Mean = 3.7, SD = 1.4). This underscores the importance of ensuring the reliability of digital services to build trust and maintain long-term customer relationships. Findings shown that digitalization initiatives positively impact overall customer experience to a large extent (Mean = 3.9, SD = 0.7). This suggests that digital transformation efforts significantly enhance the overall experience of customers, potentially leading to higher satisfaction and loyalty.

The study found that the security measures implemented in digital platforms influence confidence in sharing personal information to a large extent (Mean = 3.9, SD = 0.4). This highlights the critical role of robust security measures in fostering trust and confidence among customers when using digital services. Overall, with a composite mean of 3.58, these findings indicate generally positive perceptions regarding the influence of service digitalization on sustainable customer relationships within Dodoma City Council.

# 4.6 Influence of Employee Engagement on Sustainable Customer Relationship

The third objective of this study examined the influence of employee engagement on sustainable customer relationships in the Dodoma City Council. The statement provided to respondents and the findings are presented in the table 4.3. Findings revealed that interactions with engaged employees improve overall perception of

commitment to customer satisfaction to a moderate extent (Mean = 3.3, SD = 0.8). This suggests that employee engagement positively influences how customers perceive the Council's dedication to satisfying their needs. The study found that empathetic and responsive employee behavior enhances trust and loyalty to a large extent (Mean = 4.2, SD = 0.4). This indicates that customer trust and loyalty are significantly bolstered by employees who demonstrate empathy and responsiveness. Findings indicated that the level of enthusiasm displayed by employees influences satisfaction with service quality to a little extent (Mean = 2.4, SD = 0.7). This suggests that while enthusiasm is valued, there may be opportunities to enhance its impact on service quality.

Table 4.3: Influence of Employee Engagement on Sustainable Customer Relationship

<b>Employee Engagement</b>	N	Mean	SD	Interpretation
The interactions with engaged employees improve my overall perception of commitment to customer satisfaction.	153	3.3	0.8	Moderate Extent
Empathetic and responsive employee behavior enhances my trust and loyalty.	153	4.2	0.4	Large Extent
The level of enthusiasm displayed by employees influences my satisfaction with the quality of service provided.	153	2.4	0.7	Little Extent
Employee knowledge and expertise positively contribute to the resolution of customer inquiries and issues.	153	3.0	1.3	Moderate Extent
The availability of resources and support for employees enhances their ability to deliver exceptional service.	153	3.9	1.2	Large Extent
The empowerment of employees to make decisions contributes to a more personalized and efficient customer experience.	153	3.4	1.1	Moderate Extent
Employee recognition and appreciation impact my perception of culture and values.	153	4.3	0.8	Large Extent
The commitment of employees to exceed customer expectations fosters long-term relationships and loyalty.	153	3.9	1.2	Large Extent
COMPOSITE MEAN		3.55		

Source: Field Data (2024).

The study found that employee knowledge and expertise contribute positively to resolving customer inquiries and issues to a moderate extent (Mean = 3.0, SD = 1.3). This indicates that the competence of employees plays a crucial role in addressing customer needs effectively. Findings showed that the availability of resources and support for employees enhances their ability to deliver exceptional service to a large extent (Mean = 3.9, SD = 1.2). This underscores the importance of providing adequate resources to enable employees to deliver high-quality service. The study

found that empowering employees to make decisions contributes to a more personalized and efficient customer experience to a moderate extent (Mean = 3.4, SD = 1.1). This suggests that employee empowerment can lead to more tailored customer interactions and improved service efficiency.

Findings revealed that employee recognition and appreciation impact perception of culture and values to a large extent (Mean = 4.3, SD = 0.8). This highlights the significance of recognizing and appreciating employees, which can shape organizational culture and values positively. The study found that the commitment of employees to exceed customer expectations fosters long-term relationships and loyalty to a large extent (Mean = 3.9, SD = 1.2). This indicates that employees who strive to go above and beyond play a crucial role in building enduring customer relationships. Overall, with a composite mean of 3.55, these findings indicate generally positive perceptions regarding the influence of employee engagement on sustainable customer relationships within Dodoma City Council.

## 4.7 Sustainable Customer Relationship

This section presents the indicators of sustainable customer relationships. The statement provided to respondents and the findings are presented in table 4.4.

**Table 4.4: Sustainable Customer Relationship** 

Sustainable Customer Relationship	N	Mean	SD	Interpretation
Trust builds sustainable customer relationships.	153	2.9	1.2	Moderate Extent
Consistent satisfaction fosters loyalty.	153	3.7	1.4	Large Extent
Responsive to feedback enhances relationships.	153	3.9	0.7	Large Extent
Communication is key for sustainability.	153	3.9	1.1	Large Extent
Empathy promotes lasting connections.	153	3.2	1.1	Moderate Extent
Prompt issue resolution strengthens bonds.	153	4.0	1.3	Large Extent
Positive interactions maintain loyalty.	153	3.5	1.0	Large Extent
Exceeding expectations sustains relationships.	153	3.5	0.5	Large Extent
Trust builds sustainable customer relationships.	153	3.0	1.0	Moderate Extent
COMPOSITE MEAN		3.51		

Source: Field Data (2024).

Findings revealed that the level of trust between customers and the organization contributes to sustainable customer relationships to a moderate extent (Mean = 2.9, SD = 1.2). This suggests that building trust is crucial, although there may be opportunities to strengthen it further. The study found that consistent satisfaction with the organization's products/services fosters long-term customer relationships to a large extent (Mean = 3.7, SD = 1.4). This indicates that maintaining high levels of satisfaction is vital for fostering enduring customer relationships. Findings showed that the organization's responsiveness to customer needs and feedback enhances sustainable customer relationships to a large extent (Mean = 3.9, SD = 0.7). This underscores the importance of listening to customer feedback and addressing their

needs promptly. The study also found that effective communication between the organization and customers is essential for maintaining sustainable relationships to a large extent (Mean = 3.9, SD = 1.1). This highlights the role of clear and timely communication in building and sustaining customer relationships.

Findings revealed that mutual understanding and empathy between the organization and customers promote sustainable relationships to a moderate extent (Mean = 3.2, SD = 1.1). This suggests that fostering empathy and understanding can enhance the longevity of customer relationships. The study found that the organization's commitment to resolving customer issues promptly strengthens sustainable customer relationships to a large extent (Mean = 4.0, SD = 1.3). This indicates that addressing customer concerns promptly is crucial for maintaining positive relationships. Findings showed that positive interactions and experiences with the organization encourage customers to maintain long-term relationships to a large extent (Mean = 3.5, SD = 1.0). This emphasizes the impact of positive customer interactions on fostering loyalty.

The study found that the organization's efforts to exceed customer expectations contribute to the sustainability of customer relationships to a large extent (Mean = 3.5, SD = 0.5). This underscores the importance of striving to surpass customer expectations to enhance relationship sustainability. With a composite mean of 3.51, these findings indicate generally positive perceptions regarding factors contributing to sustainable customer relationships within Dodoma City Council.

## 4.8 Inferential Statistics

Inferential statistics in research serve as a critical tool to draw conclusions beyond the immediate data, allowing researchers to make inferences about broader populations or phenomena based on sample data.

## **4.8.1 Correlation Analysis**

Correlation analysis is a statistical method used to examine the strength and direction of relationships between two or more variables. In this study, correlation analysis examines the relationships between key variables influencing sustainable customer relationships within Dodoma City Council.

**Table 4.5: Correlations** 

	Correlations							
		Commun	Service	Employee	Sustainable			
		ication	Digitalizat	Engagement	Customer			
		Channels	ion		Relationships			
Communicati	Pearson	1						
on Channels	Correlation							
	Sig. (2-tailed)							
	N	153						
Service	Pearson	.537	1					
Digitalizatio	Correlation							
n	Sig. (2-tailed)	.000						
	N	153	153					
Employee	Pearson	.257	.716	1				
Engagement	Correlation							
	Sig. (2-tailed)	.001	.000					
	N	153	153	153				
Sustainable	Pearson	.719	.821	.519	1			
Customer	Correlation							
Relationships	Sig. (2-tailed)	.000	.000	.000				
	N	153	153	153	153			

Source: Field Data (2024).

The correlations presented in Table 4.5 highlight significant relationships among key factors influencing sustainable customer relationships within Dodoma City Council. Effective communication channels show a strong positive correlation (r = 0.719, p < 0.001), emphasizing their pivotal role in fostering enduring relationships with customers through various accessible and responsive communication modes. Service digitalization demonstrates an even stronger positive correlation (r = 0.821, p < 0.001), underscoring the impact of leveraging digital platforms to enhance service efficiency and customer experience. Additionally, employee engagement exhibits a moderate positive correlation (r = 0.519, p < 0.001), indicating that engaged employees, characterized by empathy, responsiveness, and expertise, significantly contribute to building sustainable customer relationships.

## 4.8.2 Normality Test

Table 4.6 presents the results of tests of normality using Kolmogorov-Smirnov and Shapiro-Wilk tests for the variables related to communication channels, service digitalization, and employee engagement within Dodoma City Council.

**Table 4.6: Tests of Normality** 

Tests of Normality						
	Kolmogo	orov-Sn	nirnov <sup>a</sup>	Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Communication	.192	153	.127	.910	153	.222
Channels						
Service Digitalization	.135	153	.221	.964	153	.414
Employee	.178	153	.124	.888	153	.147
Engagement						
a. Lilliefors Significance Correction						

Source: Field Data (2024).

The study found that the data distributions for communication channels approximate normality, as indicated by a Kolmogorov-Smirnov statistic of 0.192 (p = 0.127) and a Shapiro-Wilk statistic of 0.910 (p = 0.222). Similarly, findings revealed that the data distributions for service digitalization exhibit normality, with a Kolmogorov-Smirnov statistic of 0.135 (p = 0.221) and a Shapiro-Wilk statistic of 0.964 (p = 0.414). For employee engagement, the study showed approximate normality in the data distributions, supported by a Kolmogorov-Smirnov statistic of 0.178 (p = 0.124) and a Shapiro-Wilk statistic of 0.888 (p = 0.147). These results suggest that the assumptions of normality are reasonably met for these variables, providing a solid foundation for subsequent statistical analyses conducted within the study on sustainable customer relationships in Dodoma City Council.

## 4.8.3 Multicollinearity

The study focuses on assessing multicollinearity among the key predictors influencing sustainable customer relationships within Dodoma City Council.

**Table 4.7: Multicollinearity** 

Coefficients <sup>a</sup>						
Model Collinearity Statistics						
		Tolerance	VIF			
1	Communication Channels	.678	1.474			
	Service Digitalization	.354	2.821			
Employee Engagement .465 2.149						
a. Dep	endent Variable: Sustainable Customer Rela	tionships				

Source: Field Data (2024).

Findings from Table 4.7 reveal that communication channels exhibit a tolerance of 0.678 and a variance inflation factor (VIF) of 1.474, indicating a moderate level of

independence from other predictors. In contrast, service digitalization demonstrates a higher degree of independence with a tolerance of 0.354 and a VIF of 2.821 compared to communication channels. Similarly, employee engagement shows a tolerance of 0.465 and a VIF of 2.149, suggesting moderate independence as well. These results underscore that all predictors surpass the recommended cutoff points for tolerance (>0.1) and VIF (<10), supporting their reliable interpretation regarding their individual contributions to sustainable customer relationships within Dodoma City Council.

## 4.8.4 Regression Analysis

The regression analysis explores the relationships between predictor variables—such as communication channels, service digitalization, and employee engagement—and the outcome variable of sustainable customer relationships within Dodoma City Coun

**Table 4.8: Model Summary** 

Model Summary <sup>b</sup>									
Model	R	R Square	Adjusted R	Std. Error of the	Durbin-				
			Square	Estimate	Watson				
1	.885 <sup>a</sup>	.784	.779	2.24606	.621				
a. Predictors: (Constant), Employee Engagement, Communication Channels, Service									
Digitalization									
b. Dependent Variable: Sustainable Customer Relationships									

Source: Field Data (2024).

The model shows a strong correlation (R = 0.885) and explains a substantial proportion of the variance in sustainable customer relationships (R = 0.784).

The adjusted R Square of 0.779 suggests that the model's predictors reliably account for the variance without overfitting. The standard error of the estimate is 2.24606, indicating the average distance between the observed values and the predicted values by the model. The Durbin-Watson statistic of 0.621 suggests a minor positive autocorrelation, implying that the independence assumption of the residuals is reasonably met.

Table 4.9: ANOVA

	ANOVA <sup>a</sup>									
Model		Sum of Squares	df	Mean Square	F	Sig.				
1	Regression	2725.710	3	908.570	180.100	.000 <sup>b</sup>				
	Residual	751.675	149	5.045						
	Total	3477.386	152							
a.	a. Dependent Variable: Sustainable Customer Relationships									

b. Predictors: (Constant), Employee Engagement, Communication Channels, Service

Source: Field Data (2024).

Digitalization

The regression model shows significant overall predictability (F = 180.100, p < 0.001), indicating that the predictors collectively explain a substantial amount of variance in sustainable customer relationships. Specifically, the regression sum of squares is 2725.710, with 3 degrees of freedom, resulting in a mean square of 908.570. The residual sum of squares is 751.675, with 149 degrees of freedom and a mean square of 5.045, underscoring the model's goodness of fit.

**Table 4.10: Coefficients** 

		Coefficients	a		
Model	Unsta	ndardized	Standardized	t	Sig.
	Coe	fficients	Coefficients		
	В	Std. Error	Beta		
1 (Constant)	1.306	1.264		8.943	.000
Communication	.271	.033	.384	8.297	.000
Channels					
Service	.485	.048	.644	1.064	.000
Digitalization					
Employee	147	.065	040	721	.472
Engagement					

Source: Field Data (2024).

The regression equation for predicting sustainable customer relationships is:  $Sustainable \ Customer \ Relationships = 1.306 + 0.271X_1 + 0.485X_2 - 0.147X_3$ 

The model includes a constant term of 1.306. Communication Channels show a positive unstandardized coefficient of 0.271 (p < 0.001), indicating that for each unit increase in communication effectiveness, there is a corresponding increase in sustainable customer relationships. Service Digitalization also demonstrates a positive impact with an unstandardized coefficient of 0.485 (p < 0.001), suggesting that enhancements in digital service platforms contribute significantly to sustainable relationships. In contrast, Employee Engagement exhibits a negative coefficient of 0.147, though statistically insignificant (p = 0.472), implying a weak relationship between employee engagement and sustainable customer relationships in this context.

**Table 4.11: Hypotheses Summary** 

Hypotheses	P-Value	Decision	
Ha <sub>1</sub> Communication channels influence sustainable customer	.000	Aggantad	
relationships in the Local Government Authorities.	.000	Accepted	
Ha <sub>2</sub> : Service digitalization influences sustainable customer	.000	Aggented	
relationships in the Local Government Authorities.	.000	Accepted	
: Employee engagement influences sustainable customer .472		Daisatad	
relationships in the Local Government Authorities.	.472	Rejected	

Source: Field Data (2024).

Table 4.11 summarizes the hypotheses testing results, the findings indicate that the hypothesis stating communication channels influence sustainable customer relationships (Ha1) was accepted, with a significant p-value of .000. Similarly, the hypothesis on service digitalization (Ha2) influencing sustainable customer relationships was also accepted, with a p-value of .000. However, the hypothesis regarding employee engagement (Ha3) influencing sustainable customer relationships was rejected, as it yielded a non-significant p-value of .472. These results suggest that while effective communication channels and service digitalization play crucial roles in fostering positive customer relationships, employee engagement may not directly impact these relationships.

#### **4.9 Discussion of Findings**

## **4.9.1 Influence of Communication Channels on Sustainable Customer Relationships**

In this study, communication through various channels, including email, phone, and in-person interactions, was perceived as effective in fostering these relationships.

This agrees with social exchange theory which indicated that effective

communication channels are pivotal in building and maintaining positive relationships between service providers and customers. This correlate with Stavros, *et al.*, (2023) who indicated that internal business communication positively affects business sustainability. Emphasizing clear and accessible communication not only cultivates trust and satisfaction among residents but also strengthens the council's reputation as a responsive and accountable public service provider. Integrating digital innovations and ensuring comprehensive staff training in communication strategies was essential for maintaining these positive relationships and advancing Dodoma's commitment to effective governance and citizen-centric service delivery.

In this study regular updates and accessible communication channels were noted to enhance trust and satisfaction among customers also clear and timely communication was found to facilitate effective problem resolution and customer support, which are crucial for maintaining positive relationships. Conversely, Gulich et al. (2024) highlighted how inconsistent communication and delays in addressing customer concerns can swiftly erode trust and satisfaction with service providers. These findings underscore the critical importance for the council to prioritize proactive communication strategies and responsive customer service initiatives. Dodoma City Council can improve service delivery and build a solid reputation for dependability and customer-centricity in the community by promptly responding to customer inquiries and updating communication protocols. This will strengthen civic engagement and support for municipal initiatives.

Respondents also emphasized that the responsiveness and consistency of

communication channels played a key role in influencing their perception of the council's commitment to customer satisfaction. Mambo (2019) also indicated that responsive and consistent communication channels are critical for fostering trust and satisfaction among stakeholders, thereby enhancing overall service delivery and organizational reputation. These insights highlight the imperative for the council to prioritize ongoing improvements in communication strategies, ensuring they remain responsive, transparent, and aligned with community expectations. To promote more civic trust and involvement, Dodoma City Council may not only fortify its ties with stakeholders but also establish itself as a dependable and customer-focused local government body.

In this study, effective communication channels show a strong positive correlation (r = 0.719, p < 0.001) while the regression analysis, communication Channels show a positive unstandardized coefficient of 0.271 (p < 0.001). Similarly, Danibrata (2017) corroborates these findings by emphasizing the profound impact of customer relationship management, personalized services, and effective communication on bolstering customer loyalty. These insights underscore the importance for Dodoma City Council to prioritize investment in streamlined communication strategies and personalized customer interactions. The council may strengthen its relationships with constituents and increase community trust and support for local activities by utilizing these insights.

While many studies affirm the positive influence of communication channels on sustainable customer relationships in local government authorities, several scholars present opposing views and findings that challenge this assumption. For instance, Kayuni and Tambulasi (2020) argue that communication in many local authorities tends to be top-down and bureaucratic, limiting citizens' opportunities to provide feedback or engage meaningfully, thus weakening relationships rather than strengthening them. Similarly, Mwakatobe and Lusekelo (2019) found that despite the presence of communication platforms in Tanzanian municipalities, poor responsiveness and lack of follow-through on citizen concerns led to frustration and disengagement.

Njunwa (2018) also reports that communication in LGAs often lacks transparency and is marred by political interference, making citizens perceive it as manipulative or insincere, which erodes trust. Moreover, Chaligha (2017) observed that in many rural councils, limited access to ICT infrastructure, low digital literacy, and language barriers hinder effective communication, thereby reducing its impact on relationship-building. These findings highlight that communication channels alone are not sufficient to sustain customer relationships; their effectiveness depends on inclusivity, responsiveness, and genuine two-way interaction factors often lacking in practice within many local Tanzanian authorities.

#### 4.9.2 Influence of Service Digitalization on Sustainable Customer Relationships

Findings revealed that the availability of online services significantly enhances convenience and accessibility for customers. However, as noted by Ćurčić, Grubor, & Muhović (2021), traditional service delivery methods may retain preference among certain demographic groups or in contexts where digital access is constrained

or less favored due to personal or cultural considerations. This contrast highlights the importance for the council to adopt a balanced approach in service provision, ensuring that while digital innovations are leveraged to enhance efficiency and accessibility, traditional channels are also maintained to accommodate diverse community needs effectively. Dodoma City Council may enhance its service delivery methods to better serve all segments of its constituency and promote inclusivity and customer satisfaction across a range of consumer demographics by comprehending and accommodating their preferences. Findings indicated that digital platforms for service delivery improve transaction efficiency and speed and the user-friendliness of digital interfaces positively influenced satisfaction with services.

Similarly, Danibrata (2017) emphasized that digital transformation initiatives not only streamline operational processes but also elevate customer satisfaction by prioritizing user-centric interfaces and efficient service delivery. These insights highlight the critical need for Dodoma City Council to continue investing in digital infrastructure and optimizing digital service channels. Through enhancing the usability, accessibility, and responsiveness of its digital platforms, the council is able to surpass public expectations and reaffirm their dedication to modernization and high-quality service in the digital era.

This strategic approach positions the council as a forward-thinking leader in municipal service delivery while also strengthening customer loyalty and public confidence. It also improves operational efficiency. The study unveiled that integration of digital tools and technology also bolstered trust in the organization's

commitment to innovation and modernization. Social exchange theory also postulated that trust and commitment in organizational relationships are enhanced when organizations demonstrate proactive adoption of digital tools and technology. This is also in line with Li, Lin & Zhang (2023) who found that the adoption of digital technologies enhances organizational trust and perceived commitment to modernization and innovation.

Through the adoption of cutting edge digital technologies for communication and service delivery, the council not only increases operational effectiveness but also shows initiative in fulfilling public expectations in an increasingly digital world. This strategic integration not only enhances service accessibility and efficiency but also positions Dodoma City Council as a forward-thinking entity dedicated to leveraging technology for the benefit of its constituents, thereby fostering a positive perception of leadership and governance within the community.

The findings of this study noted that service digitalization enhances responsiveness to evolving customer needs and preferences, contributing to the overall improvement of sustainable customer relationships within the council. As highlighted by Lyimo and Theobard (2022), digitalization not only improves service delivery but also reduces customer complaints, paperwork, and operational errors. Through the adoption of digital tools and platforms, the council may improve efficiency, expedite procedures, and quickly adjust to evolving public demands. In addition to modernizing service delivery, this transformative strategy establishes the council as a progressive organization dedicated to serving the changing needs of its citizens. For

Dodoma City Council to stay ahead of the competition and increase overall service quality which will lead to higher public satisfaction and trust in municipal operations it will be imperative that it places a strong emphasis on ongoing development in digital service offerings.

Also, service digitalization demonstrates an even stronger positive correlation (r = 0.821, p < 0.001) and the regression analysis demonstrates a positive impact with an unstandardized coefficient of 0.485 (p < 0.001). Garatsa and Dlamini (2021) found that service digitalization not only enhances operational efficiency but also significantly improves customer satisfaction and loyalty. The council can fulfill the growing expectations of its people about digitalization while simultaneously boosting the efficiency of service delivery by adopting cutting-edge digital tools and platforms. This deliberate use of technology not only fits in with current international trends, but it also establishes Dodoma City Council as a progressive organization dedicated to using innovation to improve service quality and community involvement.

Despite the widely accepted view that service digitalization enhances sustainable customer relationships, several scholars present contrasting perspectives and findings, particularly in the context of local government authorities in developing countries like Tanzania. For example, Ndunguru and Kalimang'asi (2021) caution that while digital platforms are introduced to improve service delivery, many citizens especially in rural and low-income urban areas lack access to reliable internet, smartphones, or basic digital literacy, which limits their ability to benefit from such

services. Similarly, Mwaipopo and Shayo (2020) found that digital systems in some LGAs were poorly maintained, with frequent breakdowns, data inaccuracies, and limited user support, resulting in citizen dissatisfaction and reduced trust in digital platforms.

Chimagu and Chalamila (2019) also observed that digitalization often excludes the elderly, people with disabilities, and those unfamiliar with ICT, thereby widening the digital divide and alienating segments of the population. Furthermore, Mnunka (2018) noted that the mere presence of e-government tools does not guarantee effective service if human responsiveness and institutional accountability are missing. These studies suggest that without addressing infrastructural, social, and institutional challenges, digitalization alone may fail to foster sustainable customer relationships and may even create new barriers to equitable public service access.

## **4.9.3** Influence of Employee Engagement on Sustainable Customer Relationship The study found that empathetic and responsive employee behavior positively

influences customer trust and loyalty hence the availability of resources and support

for employees enhances their ability to deliver exceptional service, reinforcing customer satisfaction. Stakeholder theory indicated that organizations that prioritize employee support and development foster a positive organizational culture conducive to customer satisfaction and loyalty. Conversely, Axelsson (2023) highlighted how organizational cultures lacking in supportive resources and responsive employee behaviors often struggle to maintain high levels of customer satisfaction and loyalty. These findings emphasize the importance for organizations, including Dodoma City

Council, to invest in both the professional development of their employees and the provision of adequate resources. The council may successfully improve service quality, fortify customer connections, and establish itself as a dependable and customer-centric institution in the community by cultivating a work environment that places a high value on staff support and response.

The study findings depicted that the recognition and appreciation of employees contribute to the organization's perceived culture and values, fostering long-term relationships with customers. On contrast, Oncioiu *et al.* (2023) found that the absence of employee recognition and appreciation negatively impacts organizational culture and diminishes long-term customer relationships. These insights underscore the significance for Dodoma City Council to prioritize employee recognition programs and cultivate a supportive workplace environment. By acknowledging and valuing employee contributions, the council can not only strengthen its organizational culture but also enhance employee morale, productivity, and ultimately, customer satisfaction. This approach fosters a positive cycle where motivated employees deliver exceptional service, leading to increased customer loyalty and trust in the council's commitment to community welfare and service excellence.

Findings of this study indicated the pivotal role of employee engagement in shaping positive customer experiences and sustaining relationships within the organizational context. This agrees with, Binsaeed *et al.* (2023) who indicated a positive relationship between CRMCs and both customer engagement and innovation

performance. This suggests that fostering a workplace environment where employees are actively engaged and empowered can significantly enhance customer interactions and drive innovation within Dodoma City Council.

Through the prioritization of staff participation techniques like training, recognition, and clear communication of corporate goals, the council may enhance customer satisfaction while simultaneously cultivating a culture of innovation and continual development. This approach is crucial for enhancing service delivery, maintaining competitive advantage, and reinforcing the council's reputation as a responsive and customer-focused entity in the community.

Additionally, employee engagement exhibits a moderate positive correlation (r = 0.519, p < 0.001) but in the regression analysis it exhibits a negative coefficient of - 0.147, though statistically insignificant (p = 0.472). Despite this, Mambo (2019) emphasized that employee engagement plays a crucial role in organizational success by fostering a positive work environment and enhancing employee satisfaction. Mambo's insights underscore the broader impact of employee engagement beyond direct customer relationships, suggesting that while the statistical findings in this study were not significant, fostering a culture of engagement remains vital for Dodoma City Council. The council could enhance overall service quality and indirectly impact customer perceptions by prioritizing projects that promote staff engagement and well-being. This would contribute to cultivating enduring relationships and organizational effectiveness. Although employee engagement is widely viewed as a critical factor in fostering sustainable customer relationships,

several scholars offer opposing views and findings that question its direct influence, especially within public sector settings like Local Government Authorities (LGAs).

Ngowi and Mollel (2020) argue that in many Tanzanian LGAs, employee engagement initiatives are often superficial or limited to top-level staff, leaving frontline service providers disconnected from decision-making processes, which weakens their motivation and commitment to citizen-centered service. Similarly, Matete (2019) found that even when employees appear engaged, factors such as political interference, bureaucratic red tape, and lack of performance-based incentives diminish their ability to effectively serve citizens, thereby limiting the impact of engagement on relationship sustainability.

Luhanga and Ndunguru (2018) also highlight that in environments with poor working conditions and limited professional development, employee engagement efforts have little long-term effect, as staff remain demoralized and unresponsive to citizen needs. Moreover, Chaligha (2017) noted that in some councils, engaged employees face resistance from systemic inefficiencies, making it difficult to translate their enthusiasm into meaningful customer satisfaction. These findings suggest that without addressing deeper institutional and structural barriers, employee engagement alone may not significantly improve sustainable customer relationships in local government contexts.

#### **CHAPTER FIVE**

#### SUMMARY OF FINDINGS CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Overview

This chapter consists of summary of findings, conclusions relating to the research objectives, recommendations and finally areas that need further research. The research was aimed at assessing the factors influencing sustainable customer relationships in the Local Government Authorities, particularly Dodoma City Council.

#### **5.2 Summary of the Key Findings**

### 5.2.1 Influence of Communication Channels on Sustainable Customer Relationships

The first objective of this study examined the influence of communication channels on sustainable customer relationships in the Dodoma City Council. The study found significant impacts of communication channels on sustainable customer relationships within Dodoma City Council. Communication through various channels, including email, phone, and in-person interactions, was perceived as effective in fostering these relationships. Regular updates and accessible communication channels were noted to enhance trust and satisfaction among customers. Moreover, clear and timely communication was found to facilitate effective problem resolution and customer support, which are crucial for maintaining positive relationships.

Respondents also emphasized that the responsiveness and consistency of communication channels played a key role in influencing their perception of the

council's commitment to customer satisfaction. In this study, effective communication channels show a strong positive correlation (r=0.719, p<0.001). In the regression analysis, communication Channels show a positive unstandardized coefficient of 0.271 (p<0.001).

#### 5.2.2 Influence of Service Digitalization on Sustainable Customer Relationships

The study investigated the influence of service digitalization on sustainable customer relationships within Dodoma City Council. Findings revealed that the availability of online services significantly enhances convenience and accessibility for customers. Digital platforms for service delivery were found to improve transaction efficiency and speed. Additionally, the user-friendliness of digital interfaces positively influenced satisfaction with services. The integration of digital tools and technology also bolstered trust in the organization's commitment to innovation and modernization. Service digitalization was further noted to enhance responsiveness to evolving customer needs and preferences, contributing to the overall improvement of sustainable customer relationships within the council. Also, service digitalization demonstrates an even stronger positive correlation (r = 0.821, p < 0.001). In the regression analysis, service digitalization demonstrates a positive impact with an unstandardized coefficient of 0.485 (p < 0.001).

# **5.2.3 Influence of Employee Engagement on Sustainable Customer Relationship** Findings from the study on the influence of employee engagement on sustainable customer relationships indicate significant perceptions among respondents. The study

found that empathetic and responsive employee behavior positively influences

customer trust and loyalty. Additionally, the availability of resources and support for employees enhances their ability to deliver exceptional service, reinforcing customer satisfaction. Furthermore, the recognition and appreciation of employees contribute to the organization's perceived culture and values, fostering long-term relationships with customers. These findings underscore the pivotal role of employee engagement in shaping positive customer experiences and sustaining relationships within the organizational context. Additionally, employee engagement exhibits a moderate positive correlation (r = 0.519, p < 0.001). In the regression analysis, employee engagement exhibits a negative coefficient of -0.147, though statistically insignificant (p = 0.472).

#### **5.3 Conclusions**

The study concluded that effective communication channels significantly contribute to fostering sustainable customer relationships within Dodoma City Council. Clear and accessible communication through various channels, such as email, phone, and in-person interactions, plays a crucial role in building trust and satisfaction among customers. When communication is timely, responsive, and consistent, it enhances transparency and facilitates effective problem resolution, thereby strengthening the bond between the council and its constituents. This finding underscores the importance of robust communication strategies in maintaining positive customer perceptions and loyalty.

Moreover, the study concluded that service digitalization has a substantial positive impact on sustainable customer relationships in Dodoma City Council. The

integration of digital tools and platforms for service delivery enhances convenience, efficiency, and accessibility for customers. Digitalization not only streamlines transaction processes but also improves service quality by providing faster response times and personalized interactions. By adopting advanced technologies, the council enhances its ability to meet evolving customer expectations, thereby fostering long-term relationships based on reliability and innovation.

Also, the study concluded that while employee engagement shows potential benefits for customer relationships within Dodoma City Council, its direct influence on sustainable relationships appears somewhat limited. Factors such as employee empathy, knowledge, and empowerment contribute positively to customer satisfaction and service quality. However, the study suggests that enhancing employee engagement further through training, recognition programs, and opportunities for decision-making could strengthen its impact on fostering enduring customer loyalty. This conclusion highlights the need for continuous investment in employee development to maximize their role in delivering exceptional customer experiences and maintaining high levels of customer satisfaction.

#### **5.4 Implication of the Study**

the study underscores the critical role of communication channels in fostering positive interactions with customers. Through a focus on the efficacy of various communication channels, including phone, email, in-person meetings, and digital platforms, the council can improve accessibility, responsiveness, and openness in the provision of services. In addition to increasing pleasure and trust, this strategy makes

prompt issue solving and customer service possible, both of which are essential for preserving enduring connections with the public.

The study highlights the transformative potential of service digitalization in local governance. The findings indicate that investing in user-friendly digital interfaces and expanding online service offerings can significantly improve convenience, efficiency, and overall service quality. For Dodoma City Council, this implies the need to further integrate digital tools and technologies into service delivery processes. The council can satisfy the changing expectations of tech-savvy constituents while modernizing its operations through the implementation of strong security measures and the improvement of digital literacy among staff and residents.

This study underscores the importance of employee engagement in shaping customer perceptions and loyalty. Empathetic and responsive employee behavior, coupled with adequate resources and recognition, emerges as pivotal in delivering exceptional service experiences. Dodoma City Council can benefit by fostering a supportive work environment that empowers employees to exceed customer expectations. Through sustained training, staff development opportunities, and recognition initiatives, the council may foster a customer-centric culture that promotes long-lasting connections and improves overall service delivery results.

#### **5.5 Recommendations**

The study recommends that local government authorities such as Dodoma City Council prioritize diversifying and enhancing communication channels to foster sustainable customer relationships. This includes implementing integrated communication strategies that utilize multiple platforms such as email, phone, inperson interactions, and digital platforms. Regular updates and clear, timely communication should be emphasized to build trust, resolve issues promptly, and enhance overall customer satisfaction.

The study recommends that local government entities invest in comprehensive service digitalization initiatives aimed at improving convenience, accessibility, and efficiency for customers. This involves developing user-friendly digital interfaces, expanding online service offerings, and ensuring robust security measures to protect customer data. Service digitalization not only enhances operational efficiency but also signals a commitment to innovation and modernization, thereby strengthening sustainable customer relationships over the long term.

The study recommends that Dodoma City Council and similar local government bodies prioritize employee engagement strategies aimed at enhancing customer interactions and satisfaction. This includes fostering a culture of empathy, responsiveness, and continuous improvement among employees. Providing adequate resources, training, and recognition for frontline staff enables them to deliver exceptional customer service, ultimately fostering loyalty and positive customer experiences. Employee empowerment to make decisions that prioritize customer needs should also be encouraged to enhance personalized service delivery and overall customer relationship sustainability.

#### **5.6 Limitations of the Study**

In conducting research on factors influencing sustainable customer relationships, the researcher acknowledged that some data needed from Dodoma City Council staff might be sensitive. Therefore, there was a need to rely on information that was not readily available to the public. To address these challenges, the researcher prioritized transparency and clear communication of the research goals, emphasizing the necessity of accurate data collection for robust analysis. Collaboration with Dodoma City Council management was pivotal; the report was shared to foster mutual understanding and ensure the confidentiality of respondents' information. Upholding stringent ethical standards was a cornerstone of the study, ensuring the credibility and validity of the research findings while maintaining the trust of all involved stakeholders.

#### **5.7 Recommendations for Further Studies**

To advance the understanding of sustainable customer relationships within local government contexts, future research should explore the influence of external factors. These factors, such as economic fluctuations and regulatory changes, often shape customer expectations and interaction dynamics with government services. Investigating how these external variables impact the effectiveness of communication channels, service digitalization initiatives, and employee engagement strategies can provide valuable insights.

Qualitative research methods offer a promising avenue to complement quantitative findings in this domain. Conducting interviews or focus groups with customers and

employees can delve deeper into their perceptions, experiences, and preferences regarding communication channels, digital services, and employee interactions. Such qualitative insights can uncover nuanced aspects of customer relationships that quantitative metrics might overlook.

Another critical area for further exploration is the specific impact of targeted interventions on customer relationships in local government settings. Research could focus on evaluating the outcomes of initiatives such as employee training programs or the implementation of new digital tools. Through the empirical evaluation of these initiatives' results, academics may offer practical recommendations that help local governments make the most use of their resources and improve the quality of services they provide. Customer relationship management procedures may be continuously improved with the help of this empirical method, which promotes evidence-based decision-making.

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#### **APPENDICES**

#### **Appendix I: Questionnaires**

You're invited to participate in a research study on 'Factors influencing sustainable customer relationships in the Local Government Authorities: A Case Study of Dodoma City Council' conducted by Ms. Merina Ernest Mlunza from the Open University of Tanzania. Your participation and responses are crucial for this study's success. Rest assured, all provided information will be treated confidentially. Please refrain from including your name for anonymity. Thank you for your valuable contribution!

#### 1: PERSONAL INFORMATION

Please tick ( $\sqrt{ }$ ) in the most appropriate answer box

		Tick
Gender	Male	
	Female	
Age; Specify your age	18-24	
	25-34	
	35-44	
	45-54	
	55and above	
Education Level	Secondary education	
	Diploma	
	Bachelor's degree	
	Master's degree	
	Doctorate	
Years of Experience	Less than 1 year	
-	1-5 years	
	6-10 years	
	More than 10 years	
Training and Professional	None	
Development	Occasionally	
	Regularly	
	Frequently	
Work Schedule	Full-time	
	Part-time	

#### 2. SPECIFIC QUESTIONS

Please tick ( $\sqrt{\ }$ ) in the most appropriate answer box

1=Strong Disagree 2=Disagree 3= Neutral 4=Agree 5=Strong Agree

Influence of Communication Channels	RANKING SCALE		G		
	1	2	3	4	5
Communication through various channels (e.g., email, phone, in-					
person) is effective in fostering sustainable customer					
relationships.					
Regular communication updates enhance trust and satisfaction					
among customers.					
The accessibility of communication channels positively impacts					
the ease of interaction.					
Clear and timely communication facilitates problem resolution					
and customer support.					
The responsiveness of communication channels influences my					
perception of commitment to customer satisfaction.					
Consistent communication through preferred channels enhances					
my loyalty.					
The clarity of information provided through communication					
channels affects my confidence in services.					
Communication channels that allow for feedback and dialogue					
contribute to the improvement of sustainable customer					
relationships.					
Influence of Service Digitalization					
The availability of online services improves convenience and					
accessibility for customers.					
Digital platforms for service delivery enhance the efficiency and					
speed of transactions.					
The user-friendliness of digital interfaces positively influences					
my satisfaction with services.					
The integration of digital tools and technology enhances my					
trust in commitment to innovation and modernization.					
Service digitalization enhances my perception of responsiveness					
to evolving customer needs and preferences.					
The reliability of online services contributes to the establishment					
of sustainable customer relationships.					
Digitalization initiatives positively impact my overall experience					
as a customer.					
The security measures implemented in digital platforms					
influence my confidence in sharing personal information.					
Influence of Employee Engagement					
The interactions with engaged employees improve my overall					

Influence of Communication Channels	RANKING SCALE		3		
	1	2	3	4	5
perception of commitment to customer satisfaction.					
Empathetic and responsive employee behavior enhances my					
trust and loyalty.					
The level of enthusiasm displayed by employees influences my					
satisfaction with the quality of service provided.					
Employee knowledge and expertise positively contribute to the					
resolution of customer inquiries and issues.					
The availability of resources and support for employees					
enhances their ability to deliver exceptional service.					
The empowerment of employees to make decisions contributes					
to a more personalized and efficient customer experience.					
Employee recognition and appreciation impact my perception of					
culture and values.					
The commitment of employees to exceed customer expectations					
fosters long-term relationships and loyalty.					
Sustainable Customer Relationships					
The level of trust between customers and the organization					
contributes to sustainable customer relationships.					
Consistent satisfaction with the organization's products/services					
fosters long-term customer relationships.					
The organization's responsiveness to customer needs and					
feedback enhances sustainable customer relationships.					
Effective communication between the organization and					
customers is essential for maintaining sustainable relationships.					
Mutual understanding and empathy between the organization					
and customers promote sustainable relationships.					
The organization's commitment to resolving customer issues					
promptly strengthens sustainable customer relationships.					
Positive interactions and experiences with the organization					
encourage customers to maintain long-term relationships.					
The organization's efforts to exceed customer expectations					
contribute to the sustainability of customer relationships.					
The level of trust between customers and the organization					
contributes to sustainable customer relationships.					

#### THANK YOU!

#### **Appendix II: Data Collection Letter**

#### THE UNITED REPUBLIC OF TANZANIA



Ref. No OUT/PG202101401

22<sup>nd</sup> July, 2024

City Director,

Dodoma City Council,

P.O Box 1249,

DODOMA.

Dear Director,

#### RE: RESEARCH CLEARANCE FOR MS. MERINA ERNEST MLUNZA REG NO: PG202101401

- 2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1<sup>st</sup>March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1<sup>st</sup>January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.
- 3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you Ms.Merina Ernest Mlunza, Reg.No: PG202101401), pursuing Master of Human Resource Management (MHRM).
  We here by grant this clearance to conduct a research titled "Factors Influencing"

87

Sustainable Customer Relationships in the Local Government Authorities: A Case of Dodoma City Council". She will collect her data at your area from 23<sup>rd</sup> July to 30<sup>th</sup> September 2024.

4. In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

THE OPEN UNIVERSITY OF TANZANIA

Thered

Prof.Gwahula Raphael Kimamala

For: VICE CHANCELLOR