
Learning Orientation and Customer Retention Practices in Micro and Small Enterprises: Lessons from Agro-processing Firms in Tanzania

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ABSTRACT: *Over years Micro and Small Enterprises (MSEs) have been struggling to build their competitiveness in retaining customers in the highly dynamic business environment in which they operate. Learning has been identified as one of the strategic weapons that influence the the development of appropriate business practices in a turbulent environment. However, there is scanty development of appropriate business practices in a turbulent environment. However, there is scanty literature that relates learning orientation and customer retention practices in agro-processing MSEs specifically in developing economies like Tanzania. This study examines the influence of learning orientation on customer retention practices. The quantitative research approach and cross-sectional research design were adopted. We obtained a total response of 302 questionnaires distributed to owner-managers of micro and small agro-processing enterprises in Arusha, Morogoro and Dar es Salaam regions in Tanzania. Structural Modelling Equation was used in data analysis. The study established that, learning orientation dimensions of learning orientation were positively and significantly influence customer retention practices except shared vision which posted only a positive relationship with competitor analysis and inter-functional coordination practices of agro-processing MSEs. The results provide implications that owner-managers who wish to form appropriate customer retention practices should enhance their learning orientation by putting commitment to learning, opening their doors to new ideas and knowledge and having a shared share vision towards learning. The study recommends that business practitioners and institutions that oversee and support the activities of micro and small business enterprises in Tanzania need to develop a well-built learning environment to accelerate the learning behaviour, competitiveness and sustainability of these firms.*

KEYWORDS: learning orientation, customer retention practices, micro and small enterprises, agro-processing, Tanzania.

INTRODUCTION

Globally, Micro and Small Enterprises (MSEs) have been regarded as the seedbed for entrepreneurial activities that play a crucial role in socioeconomic development. In emerging economies like Tanzania particularly, MSEs serve as an employment cushion to many people, linking different economic sectors and raising the income of individuals and the nation at large (Ceptureanu, 2015; Kapinga & Montero, 2017). The agro-processing MSEs specifically form linkages with the agriculture, transporters, re-sellers and food service sectors (Diao, Hazell & Thurlaow 2010; Ekblom, 2016).

Notably, the agro-processing sector in Tanzania has been identified as one of the priority sectors in attaining the national industrialization strategy and the country's development goals (Ministry of Industry and Trade (MIT), 2011; Kipene, Lazaro & Isinika, 2015; Ministry of Finance and Planning, 2018; Mwang'onda, Mwaseba & Juma, 2018). The sector attracts many processors of agriculture outputs and sellers who compete on a wide range of product choices based on quality, customer preferences and tastes (Ijumba, Tschirley & Reardon, 2015). As a result, there is high competition and many agro-processed products in the market (Export.gov, 2019).

Despite the high potential of the sector, it has been documented that, the agro-processing MSEs tend to lose customers as compared to large agro-processing firms and other firms that import and sell similar or substitute products (Kipene, Lazaro & Isinika, 2015; Ekblom, 2016). This results in the slow growth of agro-processing MSEs and other firms leave the market within a very short time after their establishment (Kipene, Lazaro & Isinika, 2015; Mkuna, Nalaila & Isaga 2021). On the other hand, the low capital margins of MSEs deprive them of investing in aggressive marketing campaigns to attract more customers and retain existing ones for improved performances (Ceptureanu, 2015; Kapinga & Montero, 2017; Hawkins & Hoon, 2019).

The empirical research establishes that customer retention is the best practice for survival and improved performance in a highly competitive business environment in which micro and small business firms operate (Ang & Buttle, 2006; Hawkins & Hoon, 2019). On the other hand, owner-managers need to develop the habit of learning to understand the needs of the customers and the behaviour of competing firms (Ceptureanu, 2015). This enhances the formation of best business practices and products and services that create prominent customer value and retention (Hawkins & Hoon, 2019). Accordingly, it is reported that firms that are capable of studying the business environment are in a better position to compete than other firms (Bengesi & Le Roux, 2014).

Therefore, since the agro-processing MSEs tend to lose customers (Ekblom, 2016) and the firms have low capital margins for investing in research and rigorous marketing activities (Kapinga & Montero, 2017; Mamo, 2022), the authors are of the view that learning orientation could be essential drivers for customer retention practices in agro-processing MSEs in Tanzania. Markedly, strong learning facilitates the formation of business practices that suit the prevailing market situation (Calantone, Cavusgil & Zhao, 2002; Hussain, Shah & Khan, 2016). Despite the crucial

role documented regarding learning orientation, there exists scanty empirical evidence on the influence of learning orientation on customer retention practices specifically in agro-processing MSEs. Therefore, this study was set to determine the influence of learning orientation on customer retention practices with specific lessons from agro-processing MSEs in Tanzania. The views are also grounded in the evidence that the decision of the customers to form a long relationship with the business is largely influenced by the behaviours and actions of the individuals who own and run the business (Awan & Hashmi, 2014; Alkitbi, Alshurideh, Al Kurdi & Salloum, 2020).

LITERATURE REVIEW

The agro-processing sub-sector in Tanzania

The agriculture sector in Tanzania has been able to employ more than 70 per cent of the population for more than fifty years while contributing over 25 per cent to the nation's GDP yearly (Ministry of Finance and Planning, 2018; Mwang'onda, Mwaseba & Juma 2018). Working hand in hand with the agriculture sector, the agro-processing firms are involved in processing, packing, pricing, distributing and selling value-added agricultural products (Ministry of Industry, Trade and Marketing (MITM), Confederation of Tanzania Industries (CTI) & National Bureau of Statistics (NBS), 2008); UNDP, 2017). The sustainability of agro-processing MSEs could increase the shelf lives of agricultural products, improve food palatability, and attract exportation and foreign currencies while preventing the country from being price volatile from imported food products (UNDP, 2017; Export.gov, 2019).

It is noteworthy that, the agro-processing segment forms a share of about 52 per cent, 36 per cent and 32 per cent of the total value-added manufactured products in low, middle and upper-middle-income countries respectively (Mazungunye, 2020; Mazungunye & Punt, 2021). Thus, the sector has a high potential to contribute to the economic development of the respective countries. In Tanzania, the agro-processing sector is composed of a large number of micro and small enterprises (Kamuzora, 2013; Kipene, Lazaro & Isinika, 2015; Dalberg, 2017; Daninga, 2020). The market for agro-processed products has a variety of products both locally produced and imported serving similar needs, has substitute products and food supplements which increase competition and customer choices (Nkwabi, Mboya, Nkwabi & Nkwabi, 2019; Alphonse, Waized & Larsen, 2020). Despite their large number in the market, the agro-processing MSEs in Tanzania are unable to progress and grow to accommodate the competitive market environment (Ekblom, 2016).

As a results of increased customer choices in the market, customers move from one producer to another searching for the products and services that match their requirements (Ang & Buttle, 2006; Hawkins & Hoon, 2019). On the other hand, increased product choices in the market negatively affect micro and small firms since they lose customers resulting in stagnant performances (Farhikhteh, Kazemi, Shahin & Shafiee, 2020; Hermawati, 2020). This necessitates the need to use appropriate customer retention practices to prevent customers from leaking to competing brands in the market (Krautz & Hoffmann, 2017). Principally, the use of appropriate customer retention practices is regarded competitive weapon for businesses, especially where there are

limited resources to frequently recruit new customers; the situation that faces many micro and small firms in developing economies (Das, Mishra & Mohanty, 2018).

Theories guiding the study

The study informed two theories; firstly, the organizational learning theory by Sinkula, Baker and Noordewier (1997), which identifies learning orientation as a strategic resource that facilitates assessment of internal and external business environment for creating customer value and improved performance. Secondly, the customer bonding theory which was developed by Turnbull and Wilson (1989) suggests that organizations need to form structural bonds and social bonds with customers for profitable relationships. Structural bonds are formed through marketing activities and programmes that create customer value by giving reasons to purchase while social bonds are developed through interpersonal relationships between firm employees and customers (Turnbull & Wilson, 1989; Buttle, Ahmad & Aldaigan, 2002). Building from the two theories, the current study considers learning orientation as a strategic resource (Herath & Karunaratne, 2017) that can facilitate the use of suitable customer retention practices in agro-processing MSEs. We believe that with strong learning behaviours firms are likely to be in a position to determine the needs of customers, assess competitor and suppliers' behaviours, evaluate how the employees serve and relate with the customers in enhancing customer positive experience and strong bonds with the business.

Customer retention practices in micro and small firms

Customer retention is the art of building a long-term relationship with customers to induce repeat purchase behaviour, positive word of mouth and buying of product varieties from the same producer (Jyh-Fu Jeng & Bailey, 2012; Alshurideh, 2016). Ideally, it costs about five times as much to attract a new customer than to maintain the current one (Alkitbi, Alshurideh, Al Kurdi & Salloum, 2020). On the other hand, existing customers are more likely to re-purchase and recommend, can easily forgive the mistakes of a company dealing with, are more likely to try new offers and are less likely to switch to competing products in the market (Alshurideh, 2016). Thus, customer retention practices have become a necessity for building strategic competitive advantage for businesses (Das, Mishra & Mohanty, 2018).

Markedly, customer retention is of crucial importance to small businesses given their resource limitations to communicate their offers and do aggressive campaigns to cultivate customer intentions to purchase (Ritter & Andersen, 2014). Thus, customer retention is considered a strategic resource for small firms to form a close relationship with their target customers (Ciunova-Shuleska, Palamidovska-Sterjadovska, Osakwe & Ajayi, 2017). Basically, the capability to retain customers may require individual skills to sense the market, determine market needs and provide for them appropriately. Hence, customers are more likely to stay longer with a business that can predetermine their needs and can match products and other marketing programmes with the needs and requirements of the customers (Hawkins & Hoon, 2019).

The concept of customer retention practices forms roots in customer bonding theory which advocated business practices targeted to satisfy specific customer needs (structural bonding) and

the socialization component (social bonding) which develops employee-customer relationships (Turnbull & Wilson, 1989). Thus, in addition to the basic products offered to a customer, a closer social tie between employees and customers allows a deep understanding of the customers, and proper response to the identified needs resulting in customer retention and ultimately improved firm performance (Udayana, Farida, Lukitaningsih, Tjahjono & Nuryakin, 2021).

Studies on customer retention practices can be approached from the customer perspective as well as from the business point of view. From the customers' perspective, customers are used as a unit of analysis to examine factors that influence their relationship with a specific business while from the business entity point of view where business owners are examined to determine what they do to ensure that customers are attached to their products and services (Viljoen & Roberts-Lombard, 2016; Rosenberg & Czepiel, 1984; Hawkins & Hoon, 2019). The current study took the second perspective whereby customer retention practices were studied from a business point of view with an understanding that business practices and strategies influence customer decisions (Rantšo, 2016). Besides, customers are not sure of the longevity of the relationship with the business rather the practices of the owner-managers including their learning behaviour has a major effect on customers' decisions of whether to stay or not (Rosenberg & Czepiel, 1984). Building from the customer bonding theory and empirical literature the current study considers customer retention practices as marketing practices associated with finding out the needs of customer needs, integrating firm activities to better respond to customer needs, managing employee relationships with customers and building relationships with various business stakeholders to accelerate firm competitiveness and performance (Turnbull & Wilson, 1989; Arnold, Fang & Palmatier, 2010; Ciunova-Shuleska, Palamidovska-Sterjadovska, Osakwe & Ajayi, 2017, Sisay 2017).

Assessment of customer needs

Assessment of customer needs through frequent customer contacts, and involvement of customer information in product decisions enhances customer value creation by putting customers' interest as a priority of the business (Dursun & Kilic, 2017; Lestari, Leon, Siwyastuti, Brabo & Putra, 2020). The knowledge of the customer needs helps to shape the business practices and internal processes in the relation to the pre-determined needs (Krautz & Hoffmann, 2017).

Analysis of competitors

Customer needs are largely shaped by the competing offers in the market. Thus, businesses that are in a better position to analyze competitors' products/services, resources and marketing programmes are in a better position to appropriately provide for the needs and wants of their customers resulting in customer satisfaction and retention (Ayakwah, Sepulveda & Lyon 2018; Madina, 2021). The analysis of competitors provides noble information for creating customer value from the competing firms' perspective (Kotler & Keller, 2016).

Response to customer needs

A business is said to respond to the needs where it provides products and services that match or exceed customer expectations (Makhitha, 2016). This is achieved through differentiated products and services, customer-perceived prices, efficient distribution outlets, efficient customer

communications and timely response to raised complaints can easily capture the minds of the customers and enhance their attachment to the business (Mecha, Ogutu & Ondieki, 2015; Domi, Capelleras & Musabelliu, 2020). Hence, to maintain current customers and attract new ones, firms must be able to appropriate response to both their expressed and hidden needs of customers (Makhitha, 2016; Ciunova-Shuleska, Palamidovska-Sterjadovska, Osakwe & Ajayi, 2017).

Employee behavioural practices

The extant literature identifies employees' relational practices towards customers as a key input to customer retention (Sharmeela-Banu, Gengeswari & Padmashantini, 2013). The employee's behaviour and practices of building customer trust, commitment, confidence, knowledge of the product and interpersonal relationship skills influence the customer decisions of whether to stay or not (Sharmeela-Banu, Gengeswari, & Padmashantini 2013; Parawansa, 2018). These relational attributes enhance social bonds between customers and the firm's employees. Through strong social bonds, employees can understand and provide for the specific needs of customers (Ciunova-Shuleska, Palamidovska-Sterjadovska, Osakwe & Ajayi, 2017; Hawkins & Hoon, 2019).

Inter-functional coordination practices

Effective internal coordination of functional areas allows a thorough flow of information between organization members facilitating efficient management of the available resources (Arnold, Fang & Palmatier, 2010) Thus, the information collected from customers and competitors needs to effectively being processed within sections and functional areas to fit customer requirements (Hussain, Shah & Akhtar,2016).

Business-supplier relational practices

Entrusted relationship between businesses and suppliers of raw materials ensures quality supplies in required quantities and timely delivery to allow sufficient processing of customer orders (Kapinga & Montero, 2017; Nkwabi, Mboya, Nkwabi & Nkwabi, 2019). This implies that the ability to satisfy the final consumers of the products is largely affected by the practices of the providers of raw materials (Amoako-Gyampah, Boakye, Adaku & Famiyeh, 2018). Thus, it is of paramount importance to learn and understand the behaviours of raw material suppliers to ensure customer trust and retention.

The concept of learning orientation

Learning orientation is built from the theory of organizational learning which identifies that learning occurs when individual members of the organization possess distinctive learning characteristics that facilitate the capturing of business and customer information and respond appropriately (Sinkula, Baker & Noordewier, 1997; Cangelo & Dill, 1965). Thus, learning orientation as an individual as well as an organization's trait to proactive monitor market dynamics and quickly respond in line to the posed opportunity or challenge (Pett & Wolff 2016; Herath & Karunaratne, 2017). A well-built learning culture may keep the firm abreast of customer desires, competitor activities, employees' actions and suppliers behaviours; the information that assists in developing and modifying business practices. Yuan, Feng, Lai and Collins (2018) established that

organizations with strong learning orientations can develop suitable business practices for their target markets.

Accordingly, it is considered important for business owner-managers to have the right learning orientation for building competitive advantage, especially in an uncertain and turbulent business environment (Bengesi & Le Roux 2014b; Yuan, Feng, Lai & Collins, 2018; Nkwabi & Fallon, 2020). Learning orientation is regarded as one of the strategic resources that shape the operations of a firm in the marketplace (Dukeov, Bergman, Heilmann & Nasledov, 2020). Learning orientation is described as a commitment to learning, open-mindedness and shared vision (Sinkula, Baker, & Noordewier 1997). Besides, Calantone, Cavusgil and Zhao (2002) described learning orientation in terms of shared vision, commitment to learning, open-mindedness, and intra-organizational knowledge sharing. In consistency with many studies in the context of small businesses (Hussain, Shah & Khan, 2016; Herath & Karunaratne, 2017; Yuan, Feng, Lai & Collins, 2018; Dukeov, Bergman, Heilmann & Nasledov, 2020; Martinez, Serna & Montoya, 2020; Rostini, Souisa, Masmarulan & Yasin, 2021), this study defined learning orientation from the perspective of Sinkula et al (1997) of commitment to learning, shared vision and open-mindedness.

Commitment to Learning

Learning commitment develops abilities to continually seek new opportunities for business competitiveness (Dukeov, Bergman, Heilmann & Nasledov, 2020). Basically, commitment to learning underlines the process of internal and external environment assessment to develop business practices and strategies (Faisal, Hermawan & Willy, 2018). Showing learning commitment entails the behaviour of continually seeking and handling information related to the success and failures of business internal procedures and processes, functional areas, customers, employees, suppliers, competitors' technologies and other environmental factors that affect firm operations (Dukeov, Bergman, Heilmann & Nasledov, 2020). Thus, individuals and organizations are said to be committed to learning when they see learning as their best option for survival and growth (Baker, Mukherjee & Perin, 2022).

Open-mindedness

On the other hand, open-mindedness is a behaviour of learning that welcomes new thinking and allows individuals to consider the ideas and opinions of others as different (Herath & Karunaratne, 2017). Owner-managers who are open-minded have a chance to allow a sufficient flow of information from different sources for decision-making (Cho & Lee, 2020). Peng and Lin (2017) established that open-minded individuals and firms can easily develop a network with business partners and channel members.

Shared vision

Shared vision in learning provides the direction that learning should take and tend to define the specific information to capture from the market (Herath & Karunaratne, 2017). While learning commitment and open-mindedness ensure the quantity of information collected, sharing of vision enhances the value of information collected (Pastor, Gutiérrez, & Agudob 2019). Thus, with a shared vision, the activities of employees are integrated through sharing of information resulting

in strong relationships among the organizational members (Hussain, Shah & Akhtar, 2016). Firms with no shared vision are likely to have multiple opinions even in situations where members are working in teams resulting in a different interpretation of the same information (Kharabsheh, Ensour & Bogolybov, 2017). Hence, shared vision is of paramount importance for successfully learning the internal and external environment of the business.

Learning orientation and customer retention practices

Appropriate learning orientation facilitates the formation of market-based practices and the positive attainment of organizational goals (Santos-Vijande, Sanzo-Pérez, Álvarez-González & Vaázquez-Casielles, 2005; Yuan, Feng, Lai & Collins, 2018). On the other hand, a strong learning orientation helps to inform the business on changes taking place within and outside the organization providing room for developing business practices that enhance the firm's ability to satisfy customers in the prevailing market situation (Cangelo & Dill, 1965). Besides, learning behaviour provides firms with sufficient information for decision-making and the formation of marketing programmes (Baker, Mukherjee & Perin, 2022). Explicitly, a strong learning orientation enhances quality decisions regarding business strategies and practices resulting to positive performance of a firm (Mahmoud, Blankson, Owusu-Frimpong, Nwankwo & Trang, 2016).

Nevertheless, learning commitment enhances environmental scanning resulting in the development of feasible business practices for customer satisfaction (Olokundun, Ibidunni, Peter, Amaihian & Ogbar, 2017). The scanning of the internal environment of a business helps to improve the efficiency of activities, processes and functions including the proper allocation of firm resources (Dukeov, Bergman, Heilmann & Nasledov, 2020). This shows that learning commitment and openness to new ideas helps to shape business internal practices and processes.

Principally, owner-managers who recognize learning as a key to progress put energy to learn from different avenues and provide learning directly to the members resulting in creativity and innovativeness characters (Reijseger, Peeters, Taris & Schaufeli, 2017). That is to say, through continuous learning, owner-managers are in a position to assess their functional areas, create and evaluate new product ideas and examine marketing programmes and practices to fit the expectations of customers (Alshurideh, 2016). Accordingly, strong learning behaviour enables firms to develop differentiation in terms of price, distribution and communications strategies (Cho & Lee, 2020). Differentiated business practices and strategies act as a catalyst for customer choices and decisions.

A learning organization has the full agreement of the organizational goals and vision cross sections and functional areas allowing members to objectively question and suggest the best business practices for satisfying and retaining customers (Hussain, Shah & Khan, 2016). Besides, shared vision in learning enables organizations to create customer values by offering market-based products and services since employees have a common goal regarding the direction and milestones of the business (Herath & Karunaratne, 2017). This goes with the learning of expectations and behaviours of business stakeholders such as suppliers of raw materials who directly and indirectly affect firms' relationship with the final consumers of the products (Amoako-Gyampah, Boakyé,

Adaku & Famiyeh, 2018). This implies that appropriate learning orientation facilitates the acquisition of quality information for developing a firm competitive advantage. Hence, in the dynamic and competitive business environment, small firms are expected to highly leverage continuous learning to be able to remain competitive and retain customers (Baker, Mukherjee & Perin, 2022).

The foregoing discussion formed the main hypothesis:

H₁: Learning orientation has a positive influence on customer retention practices of agro-processing MSEs.

Likewise, the main hypothesis led to the development of the following sub-hypothesis:

H_{1a}: Commitment to learning has a positive influence on customer retention practices of agro-processing MSEs.

H_{1b}: Open-mindedness has a positive influence on customer retention practices of agro-processing MSEs.

H_{1c}: Shared vision has a positive influence on customer retention practices of agro-processing MSEs.

METHODOLOGY

Research design and approach

The study used a quantitative approach to test the hypothesized relationship. The quantitative approach was found to be appropriate since the study adopted previously established scales (Saunders, Lewis & Thornhill, 2016) to test the relationship in the context of micro and small agro-processing enterprises in Tanzania. With quantitative approach, we were able to collect objective data from widely distributed samples within a reasonable timeframe (John, Mwakalobo & Bengesi, 2019). On the other hand, the study adopted a cross-sectional research design whereby data were collected only once from the sample (Creswell, 2014). The collection of data at one point in time enhanced the control of other explanations which could emanate from time differences during the data collection exercise (Saunders, Lewis & Thornhill 2016; Panke, 2018).

Study area

Our study was conducted in the Dar es Salaam, Morogoro and Arusha regions. The study area was purposively selected based on the prevalence of the problem. The three regions present high competition for agro-processing firms in Tanzania ranging from micro to large-scale enterprises (National Bureau of Statistics(NBS) & Ministry of Industry, Trade and Investment (MITI), 2018). The high competition results in the loss of customers by MSEs(Ekblom, 2016; Mamo, 2022) calling for improved customer retention practices.

Sampling strategy and sample size

The sample was placed under different strata based on the agro-processing activity performed by the MSEs in the respective region and a proportionate sample was picked from each stratum. The study focused on food agro-processing MSEs, particularly those involved in the processing of milk products, fruits and vegetables, peanut butter, honey, confectionaries and cereal milling. The study considered MSEs that have been in operation for at least three years with an understanding that this period is sufficient for a firm to define its business orientation, practices and outcomes (Kiwia, Bengesi & Ndyetabula, 2019). The sample was established from a total of 1690 registered micro and small agro-processing enterprises (Dar es Salaam: 800, Morogoro: 468, and Arusha: 422); a list which was combinedly obtained from Municipal council and SIDO offices. Using Yamane (1967)'s formula, the study assumed 95% confidence level and 0.05 marginal error.

$$\text{Thus, with } n = \frac{N}{1+Ne^2}$$

Where n= sample size, N= population size and e= margin error limit

$$n = \frac{1690}{1 + 1690 \times 0.05^2} = 323.445 \approx 323$$

A proportionate sample of agro-processing was picked from respective regions followed by proportionate picking of agro-processing activities from each stratum. A total of 302 questionnaires were returned and analysed.

Measurement of key variables

Customer retention practices were measured using the market orientation (MKTOR) scale developed by Narver and Slater (1990). In addition to the basic scale, the items were modified as per studies by Santos-Vijande, Sanzo-Pérez, Álvarez-González, & Vázquez-Casielles (2005) and Mahmoud, Blankson, Owusu-Frimpong, Nwankwo and Trang (2016) to incorporate employees and supplier behaviours which affect firm's relationship with the target customers. On the other hand, the three dimensions of learning orientation vis-à-vis commitment to learning, open-mindedness and shared vision were adopted from the scale developed by Sinkula, Baker & Noordewier (1997).

Model evaluation

Fit indices for customer retention practices were calculated whereby the obtained values of GFI (0.906) and CFI (0.952) were found to be higher than the recommended value of 0.9 while the value of RMSEA (0.042) was found to be less than the cut point of 0.05. Regarding learning orientation, GFI (0.958) and CFI (0.936) were found to be higher than the recommended value of 0.9 and RMSEA (0.033) is less than the recommended minimum score of 0.05. The degree of freedom (χ^2/df) for customer retention practices and learning orientation were 1.684 and 4.340 respectively; the values which are less than 5 (Creswell, 2014).

Validity and reliability

Validity and reliability were tested through calculations of composite reliability, convergent and discriminant validity. With customer retention practices; Assessment of Customer Needs (CNC) (CR=0.704), Analysis of Competitors (AC) (CR=0.739), Response to Customer Needs (RCN) (CR=0.769), Inter-functional Coordination Practices (ICP) (CR= 0.709), Employees Behavioural Practices (EBP) (CR=0.855), and Business-Supplier Relational Practices (BSR) (CR=0.853). All the values of composite reliability were found to be above 0.7 indicating high internal consistency. With convergent and discriminant validity, the values of AVE were found to range from 0.626 to 0.755 which are high than MSV which ranged from 0.182 to 0.248. Regarding learning orientation dimensions, the composite reliability of Shared Vision (SV) (CR=0.709), Commitment to Learning (CtoL) (CR=0.705) and Open-mindedness (OPEN) (CR=0.826) the values which presented high reliability and internal consistency of the items. The AVE values were found to range from 0.614 to 0.7150 all of which are greater than 0.5 (Creswell, 2014). On the other hand, the values of MSV for learning orientation were found to range from 0.146 to 0.161. All the calculated values indicated high reliability and validity. According to (Creswell, 2014) and (Saunders, Lewis & Thornhill, 2016) the composite reliability values greater the 0.7 shows high internal consistency, while the AVE values greater than 0.5 and MSV values less than the calculated AVE values confirm validity.

RESULTS

The hypothesized relationship between learning orientation and customer retention practices was tested. The estimated results of parameters, standard error and the associated p-value values are presented in Table 1. The three dimensions of learning orientation namely commitment to learning (CtoL), open-mindedness (OPEN_M) and shared vision (SV) were regressed against customer retention practices.

The findings indicate that all dimensions of learning orientation positively and significantly influence the assessment of customer needs in agro-processing MSEs in Tanzania. The results suggest that a positive learning orientation enhances regular discussions with customers about their past experiences with the products and services and their future expectations. On the other hand, a strong learning orientation facilitates the investigation of both expressed and hidden needs of the target customers. This goes in hand with openly receiving ideas and suggestions on how to improve products and services for enhanced customer value and strengthened business- customers relationships.

The results corroborate the work of Cho and Lee (2020) who indicated that business firms that are highly committed to learning are in a better position to assess the general and particular needs of customers, deal with customer complaints and create substantial customer values. On the same note, Dukeov, Bergman, Heilmann and Nasledov (2020) established that open-mindedness and commitment to learning facilitate the acquisition of new product ideas and innovative products that match customer expectations. Accordingly, learning and openness to new views are identified as vital behaviours for small business firms because of their vulnerability to changing market

conditions (Michna & Kmiecziak, 2020). The findings of the current study suggest that owner-managers interact either physically or virtually with their regular customers to establish their requirements and find out if there is anything which is not working to their expectations.

Besides, the findings indicated a positive and significant relationship between two dimensions of learning orientations (commitment to learning and open-mindedness) and analysis of competitors while the share vision component of learning posted a positive non-significant influence on competitor analysis activities of agro-processing MSEs. With high learning commitment and open-mindedness, firms are in a position to continuously monitor the behaviours, activities and actions of competing firms. D'souza, Nanere, Arwani and Nguyen (2021) reported that competitor-oriented business firms are more likely to possess market intelligence that aid in decision-making for improved performance. Again, the results of the current study are supported by the studies conducted by Tohidi, Seyedaliakbar and Mandegari (2012) and Taramigkou, Apostoloub and Mentzasa (2017) which indicated that learning aggressiveness and interactiveness help capture new ideas from the competing firms and consequently be able to develop the most appealing business practices and strategies.

However, it has been observed that in some situations owner-manager of small firms are reluctant to share business information with members with the concern that the information may leaky to other individuals outside the business resulting in uncoordinated competitor analysis activities (Dukeov, Bergman, Heilmann & Nasledov, 2020). This could be the reason for the insignificant influence of shared vision on competitor analysis observed in the current study. Martinez, Serna and Montoya (2020) affirmed a positive non-significant relationship between shared vision and competitiveness of small and medium-sized firms while other dimensions of learning orientation were found to significantly affect the competitiveness of the firms.

Regarding the response to customer needs, the results established a positive significant relationship between learning orientation dimensions and response to customer needs (RCN) in agro-process MSEs. Responses to the needs of customers entail the formation of products and services that best fit customer requirements, provide market acceptable prices and distribution of the products in an efficient way than competitors (Wahjoedi, 2022). The results support the findings of Pett and Wolff (2016) which indicate that learning commitment is a precursor to organisational performance since it enhances appropriate response to the requirement of the customers. Besides, effective sharing of vision and open communications between owner-managers and employees help to accelerate firms' capability to come up with new products and services as a way to respond to the needs of the customers (Tan & Smyrnios, 2014). Hence, with appropriate learning orientation, the agro-processing MSEs are expected to well respond to customer requirements.

Moreover, the statistical evidence of the effect of learning orientation constructs on inter-functional coordination practices (ICP) of the agro-processing MSEs in Tanzania showed that, commitment to learning and open-mindedness positively and significantly influence inter-functional coordination practices. The shared vision part of learning was found to be positive but not significantly related to ICP. The findings related to what Martinez, Serna and Montoya (2020)

established in their study regarding learning orientation, firm performance and competitiveness. Their study revealed that openness to new ideas and learning commitment are closely associated with improved internal activities and processes that enhance the creation of customer value and long-term relationships.

With strong learning commitment and open-minded behaviours, the organizational members can question the present business practices which can ultimately result in allowing modification of business processes, practices and strategies. Similar to the current study, their study showed that there is no significant relationship between shared vision and inter-functional coordination practices although the association was found to be positive. Shared vision promotes the organizational culture related to quality services and efficient processes consequently resulting in improved customer satisfaction and retention (Herath & Karunaratne, 2017).

Further regression results on learning orientation against employees' behavioural practices (EBP) revealed a positive significant relationship. The results signify that any unit increase in learning orientation results in a significant change in employees' practices to customers. Yuan, Feng, Lai and Collins (2018) indicated that the learning culture displayed by the employees is one of the key drivers of quality service delivery. This is because, organization members who are committed to learning are more likely to develop a deep understanding specific and general needs of the customers, follow closely and monitor the changing behaviour of customers and finally review their customer-relationship practices. Principally, customers are more satisfied when they deal with knowledgeable and committed employees who can quickly solve their problems. Thus, the results affirm that employees can improve service delivery and apply the best business practices when they can learn and access the knowledge required for the specific customer situation (Ibidunni, Ibidunni, Oke, Ayen & Olokundun, 2018).

Finally, the relationship between learning orientation and business-supplier relational practices (BSRP) was established. The findings revealed that, business- supplier relational practices are positively and significantly influenced by learning orientation. The results imply that the business-supplier relationship can be enhanced by carefully studying the supplier's resources, flexibility, trustworthiness and commitment to his/her assignments (Amoako-Gyampah, Boakye, Adaku & Famiyeh, 2018). Accordingly, the results suggest that the agro-processing business requires close learning and follow-up of suppliers of raw materials since they affect the business relationship with the final customers.

The overall results suggest that one of the key success factors for the agro-processing MSEs is the learning orientation of the owner-manager. With strong learning culture, the MSEs would improve their competitiveness and ability to catch customer attention through appropriate customer retention practices. Importantly, a strong learning orientation enables business firms to stay proactive in learning and thus be in a position to embrace rapidly changing market demands.

Table 1. Regression weights for learning orientation and customer retention practices

Endogenous	Exogenous	Estimate	S. E	CR	P-Value
	<--- CtoL	0.142	0.048	2.973	0.003
	<--- OPEN_M	0.310	0.073	4.227	<0.001
ACN	<--- SV	0.141	0.070	2.008	0.045
	<--- CtoL	0.221	0.071	3.138	0.002
	<--- OPEN_M	0.262	0.088	2.966	0.003
AC	<--- SV	0.042	0.106	0.393	0.694
	<--- CtoL	0.105	0.040	2.595	0.009
	<--- OPEN_M	0.295	0.063	4.705	<0.001
RCN	<--- SV	0.010	0.003	3.330	<0.001
	<--- CtoL	0.120	0.042	2.860	0.004
	<--- OPEN_M	0.590	0.135	4.375	<0.001
ICP	<--- SV	0.098	0.044	2.230	0.296
	<--- CtoL	0.117	0.052	2.272	0.023
	<--- OPEN_M	0.440	0.080	5.513	<0.001
EBP	<--- SV	0.439	0.093	4.726	<0.001
	<--- CtoL	0.153	0.049	3.133	0.002
	<--- OPEN_M	0.151	0.059	2.542	0.011
BSRP	<--- SV	0.235	0.077	3.057	0.002

Source: Data analysis (2022)

CONCLUSION, RECOMMENDATIONS AND STUDY LIMITATIONS

The study concludes that the learning orientation of the owner-managers of agro-processing MSEs is an important driver of the customer retention practices employed by the firm. A strong and positive orientation towards learning can help MSEs leverage their customer retention practices to create superior customer value. Consequently, the creation of customer value and positive customer experience results in repeat purchases, variety of buying and positive word-of-mouth from current customers.

It is noteworthy that continuous learning facilitates the generation of market information which forms part of customer retention practices. On the other hand, a strong learning orientation for owner-managers helps to minimize shocks that could arise from the decisions and practices of the employees, competitors, customers, suppliers and other business stakeholders. This implies that a positive learning behaviour may act as a cushion to the marketing shocks since it provides room for rapidly spot changes in both the internal and external environment of a business. Moreover, the shared vision in learning is crucial in ensuring that members understand what specific information is important for the firm success.

On the other hand, the study affirms that learning is a key element in determining customer needs, assessing different market players and creating customer value through appropriate responses to the requirements of the customers. Hence, the owner-managers of agro-processing MSEs should put learning first. By so doing, the owner-managers can efficiently respond to the needs of the market and ensure satisfaction and long-term profitable relationships with the customers. Principally, the capability to retain customers provide firms with an assurance of continuous and increased sales revenue through repeat purchase and newly recruited customers via positive word of mouth. This promotes positive and sustainable performance in the market. Thus, the agro-processing MSEs that wish to maintain and grow their customer base for positive performance should take continuous learning as a strategic resource and develop a strong learning orientation. On this note, the current study contributes to the growing literature that has identified learning orientation as an internal strategic resource for developing a competitive edge for micro and small business firms. Besides, the agro-processing MSEs integrate with numerous sectors including agriculture, food services, transporters, wholesalers and retailers who sell to in agro-processing MSEs have positive implications in strengthening other sectors which combinedly work towards the achievement of the national goals. This also implies that the policymakers and sector practitioners can support the entrepreneurs by providing more learning forums that focus on improving knowledge and skills focused on good learning practices, assessment of the market and mechanisms to appropriately respond to the need of the target market for achieving high customer value and satisfaction.

The study focused on agro-processing MSEs in Tanzania's business environment which can limit the generalization of the results in other settings where the social-economic environment including competition, learning culture, resourcefulness and skills of the firms are different. Again, data were collected at one point in time (cross-sectional design), the design which may limit the collection of data which are influenced by the time factor. Thus, further studies could consider longitudinal research design to ascertain whether the data collected at different points in time would alter the established relationship between learning orientation and customer retention practices in agro-processing MSEs.

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