



**RELATIONSHIP BETWEEN CUSTOMER SENSITIZATION AND PERFORMANCE OF WATER SERVICE PROVIDERS
IN KENYA**

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ABSTRACT

Providing a positive customer experience has remained crucial to the success of any organization. This is because a happy customer is one who is more likely to become a loyal customer who can help organizations to boost their revenue. Customer sensitization seeks to educate clients on organization's services being rendered, how to access them as well as resolving customer complaints. This study aimed to establish the relationship between customer experience and performance of Water Service providers in Kenya. The study used the contrast theory and the descriptive survey design. A census of 88 respondents was used while questionnaires were the main data collection instruments. The findings revealed a positive relationship between customer sensitization and improved performance for water service providers in Kenya.

Key Words: *Customer experience, sensitization, performance, revenue generation.*

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INTRODUCTION

Available studies have associated poor revenue generation to inability of water service providers to meet set performance indicators benchmark; however these studies give a varied view of how these water performance indicators relate to revenue generation by water utility. For example Tynan and Kingdom, (2002), in their study of effective water service provision in developing countries found that out of 246 water companies they researched on, staff cost was 39% of total operating cost as compared to 29% in developing countries utilities, the coefficient of staff productivity to utility performance was moderately negative but insignificant at 0.05 level. Another Study by Onsomu (2013) on factors affecting financial viability of water service providers in Kenya, a case of Gusii Water and Sanitation Company found that staff productivity index had a weak negative but significant relationship. These studies though both gave negative relationship result, they had contradicting significance and strength of the relationship, ranging from Onsunu weak and significant relationship to that of Tynan and kingdom moderate but insignificant relationship. Both studies also studied a combination of rural water and small towns Water Utilities; however no known study has looked at relationships between Staff capacity building and Revenue Generation of Urban Water Service Providers.

Another factor which has been put forward to be affecting revenue generation by water service providers has been Non-Revenue Water for example kingdom, Liemberger and Morin(2006) in their study titled challenges in reducing Non-Revenue Water, found that almost about 45 million cubic meter of water is lost daily they translate this to US\$2.9 billion loss, equivalent to more than a quarter amount currently being invested in water infrastructure in the developing world, they concluded that other factors held constant,

Non-Revenue Water had negative significant relationship at 0.05 level, another study by Kihumba (2013) titled factors influencing revenue generation in Nyeri County found that Non-Revenue Water had a moderate negative relationship. Although these studies give a very good insight of how Non-Revenue Water affect revenue generation of water utilities, there is no agreement on the strength of relationship, none also has specifically dealt with a purely urban set up water utility.

Darmuz and Ilhan (2015) agree that the strongest factors for keeping businesses alive in today's computational, fast-growing world is growth strategies and outcome of these strategies. Cutthroat competition environment in market conditions increases the importance of scale in businesses. Business management determines growth strategies in accordance with structures of businesses and the competitive environment by applying analysis and methods which will eliminate those impediments.

Muzny and Simba (2019) assessed the influence of turnaround strategies on organizational performance at the Coast Development Authority, in Kenya. Using a case study design and a population of 35 senior staff, their results showed that there was a moderately strong positive significant correlation between retrenchment strategy and performance. The study recommended that management should retrench non-core assets and staff so as to improve its performance.

Statement of the Problem

The Water Sector Reforms key objective was to improve access to safe, affordable, reliable and sustainable water and sanitation services to enhance economic growth and poverty reduction in Kenya. Despite the formulation of a regulation framework which if adopted by the Water Service Providers would ensure provision of sustainable services, many Kenyans still remain without access to safe, affordable and

reliable water, which studies have associated to inability by Water Service Providers to increase accessibility due to low revenue collection which compromises their core mandate on equitable coverage and sustainability. Water Service Performance Indicators such as Staffing Levels, infrastructure, Non-Revenue Water, Revenue Collection Efficiency and Service Coverage and Hours of Supply have been put forward by researchers as the major contributing factors affecting revenue generations.

Kihumba (2013) in her study found out that increasing Service Coverage and Hours of Supply will greatly enhance revenue generation by water service providers, she found out that there existed positive but insignificant relationship between service coverage ratio, meaning results may be due to chance. This study contradicts that of Tynan and Kingdom (2002) who found out that the coefficient of the low coverage ratio is negative and significant, which reflects the decrease of revenue with size of the utility.

Though studies on revenue generation by water supplies has been done by several scholars, it is clear from existing literature that studies on the factors affecting revenue generation have produced varied results ranging from those who support a low and significant relationship to those who supporting moderate and insignificant relationship. There is no consensus on how water service performance indicators relate to total revenue generated by Water Utility. The aim of this study is therefore to establish the relationship between water service provider's performance and revenue generation strategies at KAKWASCO by use of both correlation and regression methods of data analysis. The sub aim was to test significance of this relationship on a purely urban set up water service provider.

Research Objective

The aim of this study was to assess the extent to which customer sensitization impacts performance of Water Service Providers in Kenya. The study tested the following hypothesis;

- Customer sensitization does not significantly influence the performance of Water service providers in Kenya.

LITERATURE REVIEW

Theoretical framework

The Contrast Theory

According to this theory, when actual product performance falls short of consumer's expectations about the product, the contrast between the expectation and outcome will cause the consumer to exaggerate the disparity (Yi, 1990). The theory maintains that a customer who receives a product less valuable than expected, will magnify the difference between the product received and the product expected (Cardozzo, 1965). This theory predicts that product performance below expectations will be rated poorer than it is in reality (Oliver & DeSarbo, 1988). In other words, the Contrast Theory would assume that "outcomes deviating from expectations will cause the subject to favorably or unfavorably react to the disconfirmation experience in that a negative disconfirmation is believed to result in a poor product evaluation, whereas positive disconfirmation should cause the product to be highly appraised" (Oliver, 1977, p. 81).

This theory is used in this study to show that customer orientation influences the relationship between the organization and its workers since good service to customers and satisfying of their needs would lead to the attainment of organizational goals.

Customer Sensitization

Businesses rely on customers for their survival. The pressures of competition dictate that

customers must be at the Centre of everything that a business does. Every customer will have specific needs which have to be addressed by the organization. Brannback (2011) argues that customer-orientation is the core of business success, the meaning of which has to be disseminated throughout the organization, the meaning of which has to be understood and internalized by everyone.

Kanovska (2010) observes that managers tend to focus more on current customers than not on potential ones. However, reasons why potential clients deny company products could help company to extend their activities and product supply, increase employee motivation, or just to know more about competitors and their strategies. It is very stimulating to know about customer perception on company products, customer services or even whole company.

Customer services are all activities connected with assuring relationship with customer – from product delivery to different ways of help by its use (Lehtinen, 2007). Customer services are all what a company does for the satisfaction of its customers. They help to gain higher profit from sold products. According to Bovée & Thill (1992), quality and customer services present a strong barrier against the competition, ensure customer loyalty; help to differentiate products and decrease marketing costs and increase company profit. Kirca, Jayachandran and Bearden, (2005) affirm that customer orientation is an important driver of firm performance. However, Frambach, Fiss and Ingenbleek (2015) note that studies on customer orientation show that it interacts with other strategic factors but yields mixed effects in terms of performance outcomes.

Increasingly, there has been a change of consumer's role and behaviour. Consumers are becoming more educated and well-to-do.

Having filled the need, they start using commodities in order to meet their higher requirements such as personal fulfillment and self-regard. (Vargo, Lash, 2006). In order to be a client-oriented organization, means studying the customer value and focusing of marketing efforts immediately on real consumer segment with high added cost in order to increase the profit taking (Fader, 2012).

Frambach *et al*, (2015) conclude that today, the concept of client-oriented approach needs deeper apprehension and some empiric studies in order to understand the mechanisms of interaction with clients and to identify the factors affecting their efficiency.

METHODOLOGY

The study adopted a descriptive survey design. The study used a census of 88 respondents from the Water offices in Kakamega Town. The respondents were selected purposively which involved only those members of the population with the desired information that was relevant for the study. Questionnaires were the main data collection instruments. The instrument was developed from existing literature, was piloted and tested for validity and reliability. Data was analyzed both qualitatively and quantitatively.

RESULTS AND DISCUSSION

Descriptive Results for Customer sensitization and Performance

The study wanted to examine the effect of Customer sensitization on Performance in Kakamega Water and Sanitation Company. Customer sensitization was conceptualized using nine statements. The study asked respondents to rate the statement provided based on a Likert scale ranging from 1-strongly disagree to 5- strongly agree. Table 1 gives descriptive statistics there from.

Table 1: Results for Customer sensitization

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
We regularly analyze factors which influence the behavior of our customers.	6	7.1	1	1.2	16	19.0	39	46.4	22	26.2
We regularly monitor the requirements of current and potential customers.	5	6.0	9	10.7	56	66.7	0	0	14	16.7
We use individual approach to our customers.	5	6.0	0	0	22	26.2	43	51.2	14	16.7
We offer a wide range of services to our clients.	4	4.8	0	0	10	11.9	44	52.4	26	31.0
We regularly find out the rate of satisfaction of final customers	3	3.6	2	2.4	9	10.7	44	52.4	26	31.0
We know the image of our products from our customers.	2	2.4	2	2.4	12	14.3	49	58.3	19	22.6
We find out why potential customers did not use our products.	5	6.0	3	3.6	18	21.4	41	48.8	17	20.2
The creation of customer value is seen as a daily activity.	2	2.4	1	1.2	15	17.9	37	44.0	29	34.5
We are strongly committed to the customer.	6	7.1	3	3.6	11	13.1	52	61.9	12	14.3

Table 1 shows how respondents rated effect of Customer sensitization on Performance in Kakamega Water and Sanitation Company. For example, on the statement that 'We regularly analyze factors which influence the behavior of our customers', 6(7.1%) strongly disagreed, 1(1.2%) disagreed, 4(7.8%) were undecided while 11(21.6%) agreed with 4(7.8%) strongly agreeing. On the statement, 'We regularly monitor the requirements of current and potential customers', 56(66.7%) agreed, 14(16.7%) strongly agreeing, while 9(10.7%) undecided while 5(6.0%) disagreed. On the statement, 'We use individual approach to our customers', 5(6.0%) disagreed, 22(26.2%) strongly disagreed, 43(51.2%) were agreed while 26(31.0%) strongly agreed. On the statement 'We offer a wide range of services to our clients', 26(31.0%) agreeing, 44(52.4) strongly agreed, 10(11.9%) undecided and 4(4.8%) strongly disagreed. On 'We regularly find out the rate of satisfaction of final customers' 3(3.6%) strongly disagreed, 2(2.4%) disagreed, 9(10.7%) undecided while 44(52.4%)

agreed as 26(31.0%) strongly agreed. On the statement 'We know the image of our products from our customers', 49(58.3%) agreed, 19(22.6%) strongly agreeing while 12(14.3%) were undecided with 2(2.4%) equally disagreed and strongly disagreed. On the statement 'We find out why potential customers did not use our products' 37(44.0%) agreed, 29(34.5%) strongly agreeing while 15(17.9%) were undecided with 1(1.2%) disagreeing as 2(2.4%) strongly disagreed. On the statement 'We find out why potential customers did not use our products', 52(61.0%) agreed, 12(14.3%) strongly agreeing while 11(13.1%) were undecided with 3(3.6%) disagreeing as 6(7.1%) strongly disagreed. Customer preference to a product is very vital satisfaction is very vital thus the need to regularly check on the company's product is being consumed, the image of the company on the product and create the customer value. From the results above the company has achieved this as majority of the respondents agree to the facts that they offer a wide range

of services to the clients and regularly find out the rate of satisfaction of final customers.

Regression Results

Linear regression tested the influence of customer sensitization (independent variable)

on Performance of water service providers (dependent variable) in Kenya. The results are presented in table 2 below.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 ^a	.752	.738	.604

a. Predictor: (Constant), Customer sensitization

Regression analysis between the independent variable and the dependent variable had coefficient of relationship $R = .867$. This shows the existence of a high positive relationship. The coefficient of determinant, R^2 was .752, the proportion of variance in the dependent variable (Performance) that was explained by the independent variable (customer sensitization). This indicates that a total of 75.2% of variations in Performance of Water Service Providers in Kenya can be explained by customer sensitization, while 24.8% can be explained by other factors which were not considered in this study. A unit change in Customer sensitization at Kakamega Water and Sanitation Company would change Performance by 0.752 units.

quality services to its clients making the clients to be satisfied and remain attached to the company. The company's urgency to responding to their clients issues and working them out is also very crucial as it determines how the clients perceives the level of attention given to them and how good they relate to staff members of the company. This good relationship between the staffs and the clients brings closeness thus easy and effective communication leading to positive attitude towards the company's goals and achievements as well as higher revenue collections.

From the findings of the study the researcher recommended that the water service providers should have clear sensitization programs for customers. These would include areas such as service charter sensitization and other elements. Service Charter is closely linked to quality management and that it is important to have it implemented effectively through all aspects of the organization's functions.

CONCLUSIONS AND RECOMMENDATIONS

This study has found that company having improved revenue generation strategies that outline clearly how the revenue should be collected and efficiently utilized always provides

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