

Customer Service Management Strategy and Service Delivery in Public Water Service Providers in Nakuru County, Kenya

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ABSTRACT

Service quality means the degree to which a service meets or exceeds the expectations of its customers especially the public water service providers which helps to improve the image of the organization. Improving access to water supply and proper sanitation is key to poverty elimination and achieving sustainable development goals. Yet, accessing water for many urban and rural poor individuals remain very poor in Nakuru County. The study sought to determine the effect of customer service management strategy on service delivery in public water service providers in Nakuru County, Kenya. The study was informed by Actor Network Theory. This study used explanatory research design and targeted population of 117 respondents from Nawassco, Naivawassco, Naruwassco water service provider companies in Nakuru. A census method was used to get the respondents. Primary data was collected using questionnaires where drop and pick method will be utilized. Results showed that respondents agreed that customer service management strategy influenced service delivery in public water service providers of Nakuru County, Kenya. Regression analysis showed that customer service management strategy influenced service delivery positively and significantly. The study concluded that customer service management strategy in public water service providers is crucial for ensuring customer satisfaction, managing reputation, maintaining service quality and reliability, efficient complaint handling, community engagement, continuous improvement, and regulatory compliance and recommended enhancement of the service structure in the public water service providers since by implementing an effective service structure, organizations can optimize their customer service operations, drive customer loyalty, and achieve competitiveness in the market.

Keywords: Customer service management strategy, service delivery, water companies, Nakuru

INTRODUCTION

Service delivery remains a crucial issue for the maintenance and propagation of business in the competitive business setting. So as to endure in a very vibrant service setting, it is important for industries that give services to offer their customers with services that are of high quality. Customers in the present day demand quality and from their viewpoint, quality is nothing but a fundamental and anticipated part of service, that is service quality (Bilgihan, Kandampully & Zhang, 2016). The importance of service delivery has become one of the top priorities in the service sector, such as water service companies (Callan & Bowman, 2000).

Service delivery is important because organizations that consistently deliver high-quality service build a strong reputation for reliability and professionalism, which can lead to increased market share and brand loyalty. Service delivery is important in the success of a firm and investing in the development of strong service provision capabilities can provide a significant return on investment (Mintrom & Luetjens, 2017).

The adoption of quality service delivery is critical for organizations to succeed in today's competitive business environment. Effective service delivery helps to build customer trust and confidence in the organization, leading to increased customer loyalty and repeat business. It also helps in attracting upcoming customers via positive word-of-mouth referrals, establish a positive reputation, and achieve long-term success (Pereira, Sabido & Santos, 2021).

According to Bilgihan, Kandampully and Zhang (2016), customer service is essential for building strong customer relationships, increasing customer loyalty, and improving brand reputation. It can also help to reduce customer churn, increase customer satisfaction, and generate positive word-of-mouth referrals. It entails addressing customer needs and concerns, providing information, and resolving any issues or problems they may encounter. Baron (2015) defines customer service strategy as the provision of superior service levels and delivery that ensures the creation of delighted customers. Nelson and Raymond (2011) defines a customer service strategy as the carefully planned and implemented comprehensive approach to customer service that encompasses all aspects of the organization and its products and services.

According to Chastek, (2019), the components of customer service strategy includes customer needs analysis, service design and delivery, service recovery, employee engagement and continuous improvement. According to Chastek, Donohoe and McGregor (2019) the components of customer service strategy includes top-tier knowledge, overall customer experience and on time delivery of services. According to Usman (2010) customer service strategies include expertise, empathy, communication and professionalism. In this study customer service management strategy was measured by customer needs, response rate, demanding management and service structure.

Service quality means providing products or services that meet or exceed customer expectations especially the public water service providers which helps in improving the organizational image (Mobarak, 2020). It helps in the success of any business, and it can lead to increased customer satisfaction, competitive advantage, brand reputation, cost savings and employee satisfaction (Yuan & Yaqi, 2013). Each organization need to have the knowledge of the expectation of its consumers basically what they want for the fulfilment of the requirements via provision of attractive qualitiful services. This has been a great challenge for the public water service providers in Nakuru County.

Service structure is the organizational framework or arrangement that outlines how a service-oriented business or department is organized and operates (Baron, 2015). This structure may include various components such as service teams, departments, workflows, and the allocation of resources to ensure the effective delivery of services. A well-designed service structure is critical to ensuring that a business can meet its customers' needs efficiently and effectively. Customer service management strategy is a plan or approach that an organization adopts to effectively manage its interactions with customers and provide high-quality service (Chastek, 2019). A well-defined customer service management strategy typically includes elements like customer engagement, problem resolution, communication channels, employee training, technology integration, and performance measurement. Service delivery is the process of providing services to customers or clients in accordance with the established standards, agreements, and expectations (Zeithaml & Bitner, 2016). It involves all the activities and steps required to fulfill the service, from the initial customer request or order to the final delivery or completion of the service. Effective service delivery is crucial for customer satisfaction and retention. These three elements are interconnected and essential for delivering exceptional customer experiences.

THEORETICAL LITERATURE REVIEW

Actor Network theory was advanced by Latour and Callon in the late 1990s. The theory attempts to polish the understanding of processes of technological inventions and scientific knowhow creation. The theory

considers and acknowledges all surrounding factors present when the development of a technological innovation is happening (Lester & Piore, 2004). ANT posits that networks are made up of actors, which can be human or non-human. They can be anything from people, organizations, and technologies to animals, landscapes, and even ideas. Actors are not seen as fixed entities, but rather as constantly evolving and changing, as they interact with other actors in the network (Orlikowski & Iacono, 2001).

The central concept of ANT is the idea of a network, which is a complex and dynamic set of relationships between actors. Networks are not seen as hierarchies, but rather as constantly evolving and changing entities. The power relations between actors are not fixed, but rather are constantly shifting depending on the relationships between the actors in the network. According to ANT, the relationships between actors are mediated by intermediaries, which are the tools, technologies, and other objects that enable communication and interaction between actors. Intermediaries are seen as playing a critical role in shaping the relationships between actors in a network. They can act as mediators, enabling actors to communicate and interact with each other, or as intermediaries, shaping the nature of the relationship between actors in the network (Baiocchi, Graizbord & Rodriguez-Muniz, 2013).

One of the key contributions of ANT has been to challenge the traditional view of technological innovations as being driven solely by scientific advances or market forces. Instead, ANT emphasizes the role of networks, actors, and intermediaries in shaping technological innovations and the social processes that surround them. One of the criticisms of ANT is that it can be overly focused on the micro-level of social interaction and may not adequately account for broader social structures and institutions. Additionally, some have argued that ANT is too focused on the agency of non-human actors, at the expense of human agency and free will (Orlikowski & Iacono, 2015).

EMPIRICAL LITERATURE REVIEW

Dafrosa (2015) studied the effects of customer service management strategy on organizational performance. Case study research design was used. Staff and customers targeted in the study forming a sample of 60 participants. Descriptive analysis was utilized in analysis and processing of the data. Customer service provision reduced public relations costs after the introduction of customer complaint register (written complaints) where customers tabled their complaint whenever services offered turned out to be dubious.

Rajagopal (2016) studied the effects of customer service management strategy and market effectiveness on dealer performance. Customers professed higher quality of the correlation in an offered frame of roles that are done efficiently by the dealer which lowers the degree of challenges. When there is high conformance in the quality of services given by the dealers and worth added customer correlation, there is high customer satisfaction given which leads to development of life time customer worth and strengthens the correlation between the customers and the dealers.

Abora (2016) determined the influence of customer service management strategy on the performance. Desk and primary research were used in data collection while analysis was through using SPSS. Results revealed that customers defined quality in regard to traits of services which have the capability to fulfil sated and implied requirements. Quality service is a key source of differentiation in the banking industry. Quality customer service is a prerequisite to satisfied customers and their retention which affect profitability of organizations.

RESEARCH METHODOLOGY

Explanatory research design was adopted in the study. The population for the study were respondents drawn from the following departments; Customer service, finance, administration, procurement, information

technology and human resource departments in Nawassco, Naivawassco and Naruwassco companies. A census method was used to obtain 117 respondents. Primary data was collected using semi-structured questionnaires. Physical delivery was used in the administration of the questionnaires as it was found suitable to the sampled respondents. Adequate time for filling the questionnaires was given to the respondents and follow up was done to the respondents who had not responded after the two weeks. University introductory letter and research permit was obtained. Collected data was keyed using SPSS version 25.0 software for analysis. Descriptive and inferential statistics was used. The Pearson’s coefficient of correlation was also applied. Data presentation was in frequency tables.

The regression model was

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where,

Y = Service delivery

β_0 = y intercept/constant

β_1 = regression coefficients

X_1 = Customer service management strategy

ϵ = error term

RESULTS

Descriptive statistics for customer service management strategy

Descriptive statistics were carried out where means and standard deviations were generated to help in interpreting the results. Customer service management strategy was conceptualized to constitute customer needs, response rate, demand management and service structure.

Table 1: Customer service management strategy

Customer service management strategy statements	Means	Standard deviations
The organization is able to meet all its customer needs on time	4.07	1.05
The priority of the organization are based on the customer needs	3.98	0.79
The organization respond to customer on time	4.32	0.82
The organization has a system to determine customer demand	4.52	0.74
The organization allocate its resource depending on customer demand	4.24	0.99
The organization has a well-defined service structure	4.52	0.67
The service structure help the organization to served it customer effectively	4.61	0.69
Aggregate mean	4.32	

Table 1 indicates mean summaries showing that the service structure helps the organization to serve it customer effectively had a mean of 4.61. There was low variation (SD) of 0.69. The organization has a well-defined service structure had a mean of 4.52. There was a low variation (SD of 0.67). The organization has a system to determine customer demand had a mean of 4.52. There was low variation (SD) of 0.74. The organization respond to customer on time had a mean of 4.32. There was low variation (SD) of 0.82. The organization allocate its resource depending on customer demand had a mean of 4.24. There was a low

variation (SD of 0.99) while the organization is able to meet all its customer needs on time had a mean of 4.20 and an SD of 1.05 thus a high variation. The priority of the organization is based on the customer needs had a mean of 3.98 and an SD of 0.79 thus a low variation. Respondents agreed that customer service management strategy has an effect on service delivery of service water providers' companies in Nakuru since the indicators had an aggregate mean of 4.32.

Results of the study showed that the service structure help the organization to serve its customers effectively had the highest mean and a well-defined service structure ensures consistency in the delivery of customer service enhancing the effectiveness (Zhanhe & Liao, 2010). Further, George (2016) connotes that a well-defined service structure establishes standardized processes, protocols and guidelines that enable customer service representatives to handle customer interactions consistently and efficiently. Consistency builds trust, reinforces the organization's brand image, and fosters positive customer experiences. When customers consistently receive prompt, accurate, and personalized support, they are more likely to have positive experiences and develop trust in the organization. Satisfied customers are more likely to become loyal, repeat customers and may even advocate for the brand, leading to increased customer retention and positive word-of-mouth (Govindarajo, Kumar, Ramalu, 2014) which supports the results of this study.

Descriptive statistics for service delivery

The respondents rated the various statements on service delivery where 5- Strongly agree, 4- Agree, 3- Neither disagree nor agree, 2- Disagree and 1- Strongly disagree as in Table 2.

Table 2: Service delivery

Service delivery statements	Mean	Standard deviation
Responsiveness to customer needs is a priority for the water company	4.2	0.78
Service assurance is guaranteed for the customers	4.19	0.78
Reliability of services is emphasized in the water company	4.71	0.74
Care and attention is given to the customer whenever they raise a concern	4.21	0.62
Aggregate Mean	4.33	

Source: Survey data (2023)

Table 2 indicate mean summaries showing that reliability of services is emphasized in the water company had a mean of 4.71 and a low variation (SD) of 0.74. Care and attention is given to the customer whenever they raise a concern had a mean of 4.21. There was a low variation (SD) of 0.62 Responsiveness to customer needs is a priority for the water company on budget had a mean of 4.20. There was low variation (SD of 0.78) while service assurance is guaranteed for the customers had a mean of 4.19 and an SD of 0.78 thus a low variation. Respondents agreed on service delivery indicators in public water service providers of Nakuru County, Kenya since the indicators had an aggregate mean of 4.33.

According to Chesaina and Gitonga (2019), reliable service delivery directly contributes to customer satisfaction which supports the results of this study. When customers receive services that consistently meet their expectations, they are more likely to be satisfied with their overall experience. Further, satisfied customers are more likely to become advocates for the organization, recommend the service to others, and contribute positively to the organization's reputation (Karim & Chowdhury, 2014). Reliable service delivery

helps in reducing customer churn. When customers experience reliability in the services they receive, they are less likely to switch to competitors. Reliability creates customer loyalty and reduces the likelihood of customers seeking alternative options. This leads to improved customer retention and reduced customer acquisition costs for the organization (Messay, 2012) supporting the findings of this study.

Regression analysis

This was done to establish the relationship between the variables. The test results of the study variables are as in Table 3.

Table 3: Regression results

Goodness of fit	Test Statistic	P-Value	
Adjusted R Square	0.544		
R Square	0.534		
F Statistics (1, 93)	15.438	0.000 ^b	
Dependent Variable= Service delivery	Linear Regression Results		
	Coefficients	t-statistic	P-Value
Constant	2.623	6.018	0.000
Customer management strategy	0.396	3.929	0.000

Source: Survey data (2023)

Findings shown in Table 3 indicate that customer service management strategy account for up to 53.4% of the variation in service delivery as shown by an R-square value of 0.534. The remaining 46.6% of the variation in service delivery is explained by other factors not studied in this study. The F statistic is 15.438 with P-value of 0.000, which inferred that the regression model was significant and thus the t-statistic and P values can dependably be used to test significance of coefficients in the model;

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

The beta coefficient was 0.396 which denotes that a unit increase in customer service management strategy would result in a 39.6% rise in value of service delivery of the service water providers' companies showing direct effect of customer service management strategy on the service delivery. The t-statistic and corresponding P-value recorded was 3.929 and 0.000 respectively. At significance level of $P < 0.001$, this imply that customer service management strategy had a significant effect on the service delivery of the service water providers' companies. Based on these statistics, the study found a significant positive effect of customer service management strategy on the service delivery of the service water providers' companies in Nakuru County.

LIMITATIONS OF THE STUDY

There are few studies on functional strategies and service delivery in public water service providers in Kenya thus making it hard to obtain relevant literature review in the Kenyan context. The researcher compared related research in varied sectors both globally and regionally to try and deduce the findings. There was difficulty in accessing information as some of the respondents targeted by this study were suspicious of the intentions of this research hence were unwilling to divulge their honest thoughts. An introduction letter from the university was provided to inform the participants that the purpose of the data collected was purely academic.

CONCLUSION AND RECOMMENDATIONS

The study concludes that customer needs, response rate, demand management and service structure influenced service delivery. Customer service management strategy in public water service providers is crucial for ensuring customer satisfaction, managing reputation, maintaining service quality and reliability, efficient complaint handling, community engagement, continuous improvement, and regulatory compliance. By prioritizing customer service excellence, water service providers can build strong customer relationships, enhance operational efficiency, and contribute to the well-being of the communities they serve. The study recommends enhancement of the service structure in the public water service providers. The service structure is crucial in customer service management strategy as it provides consistency, efficient resource allocation, streamlined operations, scalability, flexibility, enhanced customer satisfaction, and data-driven insights. By implementing an effective service structure, organizations can optimize their customer service operations, drive customer loyalty, and achieve competitiveness in the market.

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