RELATIONSHIP MARKETING AND BILLING RECOVERY

CASE STUDY: NATIONAL WATER AND SEWERAGE CORPORATION, SOROTI

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ALUBO Phiona Immaculate
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Supervisor: Kuka Phinehas

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DEDICATION

I dedicate this work to my dear mother; Mrs. Batwaula Jane and for her encouragement and inspiration, she supported me financially, morally, physically and spiritually. It is also dedicated to my sister Nobert, brothers Cornelius and Polycarp and all my friends for all the guidance and advice plus assistance they have shared in one way or another.

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TABLE OF CONTENTS

Cover Page .... **Error! Bookmark not defined.**

Title Page ii

DECLARATION iii

APPROVAL iv

DEDICATION v

ACKNOWLEDGEMENT vi

TABLE OF CONTENTS vii

LIST OF TABLES xii

LIST OF ABBREVIATION xiv

ABSTRACT xv

CHAPTER ONE: GENERAL INTRODUCTION

1.0 Introduction 1

1.1 The Background of the Case Study 1

1.2 The Statement of the Problem 2

1.3 Objectives of the Study 3

1.3.1 The Purpose of the Study 3

1.3.2 Specific Objectives of the Study 3

1.4 Research Questions 3

1.5 The scope of the Study 3

1.6 Significance of the Study 4

1.7 Justification of the Study 5

1.8 Limitations of the Study 6

1.10 Definition of Key Concepts 8

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction 11

2.1 Relationship Marketing Concept 11

2.3 The Effect of Relationship Marketing Research on the Bill Recovery 17

2.4 Relationship Marketing Tactics used in Organizations 20

2.5 Relationship between Relationship Marketing and Billing Recovery 29

2.6 Conclusions 38

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction 39

3.1 Research Design 39

3.2 Area of Study 40

3.3 Study Population 40

3.4 Sample Size Determination 40

3.5 Sample Procedure and Sampling Technique 41

3.5.1 Purposive Technique 42

3.5.2 Simple Random Sampling 42

3.6 Data Collection Method 42

3.6.1 Primary Data Source 43

3.6.2 Secondary Data Source 43

3.7 Research Instruments 43

3.7.2 Interview Guides and Face to face interviews 44

3.8 Ethical Consideration 44

3.9 Data Collection Procedure 45

3.10 Quality Control Methods 45

3.11 Data Management and Processing 46
3.12 Data Analysis 46
3.13 Limitations and Delimitations of the Study 47
3.14 Conclusion 48

CHAPTER FOUR: PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction 49
4.1 Personal Demography of the Respondents 49
4.1.1 Sex 49
4.1.2 Educational Status 50
4.1.3 Occupation 51
4.1.4 Distance to the Service Center of the Organization 51
4.1.5 Time Spent to get the Service 53
4.1.6 Times of Coming to the Office to get the Service 53
4.2 Effect of Relationship Marketing on Bill Recovery 54
4.2.1 Qualified Revenue and Marketing Staff Lead to Bill Recovery 54
4.2.2 Relationship Marketing provides valuable information which guides all of the marketing activities of NWSC 55
4.2.3 Relationship Marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills 56
4.2.4 Relationship marketing connects the consumer, and marketer through the medium of information 58
4.2.5 Relationship Marketing and Values of Prompt Payments 59
4.2.6 Relationship Marketing and Analyzing Customer History of Payments 60

4.2.7 Monitoring customers and ability to develop product/service strategies.......... 61
4.2.8 The information required to address the need and wants of the consumers is known to the marketer 62
4.2.9 Relationship Marketing Completes the Communication Loop between the Seller and the Marketer 63
4.3 Different Relationship Marketing Tactics used in Organizations..................... 64
4.3.1 An Effective Mailing System that Ensures the Spread of Information Regarding Customer Bills 65
4.3.2 The Management ensures Service Quality to its Customers to motivate them to pay on Time 66
4.3.3 NWSC regularly carries out field visits/audits and give technical advice on how to overcome problems of bill payments.. 67
4.3.4 Keep Customers Informed of the Progress Happening in their Accounts Hence Bill Recovery 68
4.3.5 Customer Loyalty and Satisfaction by NWSC leads to Bill Recovery............. 69
4.4 The Relationship between Relationship Marketing and Billing System 70

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction.. 71
5.1 Summary of the Major Findings.. 71
5.1.1 Relationship Marketing Research on Bill Recovery....................................... 71
5.1.2 Different Relationship Marketing Tactics used in Organizations..................... 72
5.2 Conclusion 73
5.3 Relationship between Relationship Marketing and Bill Recovery 73
5.4 Recommendations.. 74

5.5 Future Research 75

Reference 76

APPENDICES

Appendix I: Questionnaire to be Filled by Customers 84

Appendix II: Interview guide 89

LIST OF TABLES

Table 4.1: Sex 49

Table 4.2: Educational Status 50

Table 4.3: Occupation 51

Table 4.4: Distance in kilometers to the service center of the organization 52

Table 4.5: How Much Time did it take you to get the Service 53

Table 4.6: How many Times did you come to the Office to get the Service 53

Table 4.7: Qualified revenue and marketing staff lead to bill recovery 54

Table 4.8: Relationship Marketing provides valuable information which guides all of the marketing activities of NWSC 55

Table 4.9: Relationship Marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills 57

Table 4.10: Relationship marketing connects the consumer, and marketer through the medium of information 58

Table 4.11: Relationship Marketing and Learning the Values of Prompt Payments....... 59

Table 4.12: Whether relationship marketing enables marketers on how to analyze customer history of payments 60

Table 4.13: Whether the marketers continually monitor customers and are able to develop product/service strategies 61

Table 4.14: The information required to address the need and want of the consumers is known to the marketer 62

Table 4.15: Relationship marketing completes the communication loop between the seller and the marketer 63

Table 4.16: An effective mailing system that ensures the spread of information regarding customer bills 65

Table 4.17: The management ensures service quality to its customers to motivate them to pay on time.. 66
Table 4.18: NWSC regularly carries out field visits/audits and give technical advice on how to overcome problems of bill payments.. 67
Table 4.19: Keep Customers Informed of the Progress Happening in their Accounts hence Bill Recovery... 68
Table 4.20: Customer Loyalty and Satisfaction by NWSC leads to Bill Recovery 69

LIST OF ABBREVIATION

CO	-	Commercial Officer
COB	-	Commercial Officer Billing
FAO	-	Finance Administration Officer
GIGO	-	Garbage in and Garbage Out
NWSC	-	National Water and Sewerage Corporation

ABSTRACT

The purpose of the study was to establish the impact of relationship marketing on bill recovery in National Water and Sewerage Corporation (NWSC). The specific objective of the study were to find out the effect of relationship marketing on the bill recovery, to establish the different Relationship Marketing Tactics used in organizations and to establish the Relationship between relationship marketing and billing system

The research was descriptive in nature involving quantitative methods which were administered through questionnaires. The total sample comprised 95 respondents of the internal and the external of NWSC. Random sampling was used where by the researcher went to NWSC, Soroti Area and administer questionnaires to the sampled or selected clients or customers.

Primary data was obtained from respondents through questionnaires. Secondary data was obtained from library materials, textbooks, NWSC brochures and magazines, internet and journals. Data analysis was carried out using frequency distribution tables, charts and percentages and Pearson's correlation was used to analyze the data.

The findings revealed that high levels of customer dissatisfaction among NWSC customers. There were cases of mismatch between customers' expectations and actual services received. Perception of services received was very poor with complaints of overbilling, estimated bills, high and unreasonable water tariffs. In addition there was a strong relationship between the relationship marketing and bill recovery.

According to the findings it showed that 34.7% who were the majority who strongly agreed that marketing provides valuable information which guides all of the marketing activities of NWSC, 33.7% also agreed, 14.7% disagreed. The findings imply that marketing provides valuable information which guides all of the marketing activities of NWSC but it is not used by National water staff that is why not all the billing is collected as reflect in the July, 2014 bi-annual Report.

In conclusion therefore, relationship marketing tactics had not been widely implemented by NWSC staff and hence affecting customers resulting to the billing not recovered on time which has affected Soroti areas performance.

The study therefore recommends that NWSC should prioritize their customers; this will make customers to trust the organization. NWSC should determine their services based on customer needs and expectations by identifying and recognizing customers' needs and expectations.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This study was intended to respond to relationship marketing and bill recovery a formalized means of acquiring information to assist in the marketing decisions towards bill recovery.

This chapter presents the background of the study, statement of the problem, general objective of the study, specific objectives, research questions of the study, conceptual frame work and justification of the study and key terms.

1.1 The Background of the Case Study

Relationship marketing strategy might be one of the best ways for service providers to retain customers and building customer loyalty to ensure proper decision making in bill recovery. Many empirical studies have provided evidences that relationship marketing tactics have impact on behavioral loyalty which affects bill recovery (Peng and Wang, 2006). Therefore, knowing the target consumers and building good relationship with them was the most significant issue. The challenge for NWSC service providers was to ensure bill recovery, attract more customers, focus on building good relationship quality with customers, make customers satisfied and trust, and step by step obtain customer's loyalty, through relationship marketing tactics.

The water billing system has a critical role to play in the enhancing water users satisfaction. The pricing and billing capabilities provide tools to educate the customer thus acting as incentive programs which subsequently enhance water users' levels of satisfaction. An efficient billing system shows how usage patterns of customers, promotes pricing programs to encourage reduced usage (Pitch, 2002).

1.2 The Statement of the Problem

In most organizations, relationship marketing is prior towards the successful running of the market trends for the systematic and objective identification, collection analysis, dissemination and use of information that is undertaken to improve decision making related to identifying and solving problems also known as opportunities in marketing. The relationship between the organization, its employees and customers is influenced by the relationship they have at work and the satisfaction they derive from it. Realizing the challenges of bill recovery, NWSC customers have continued to complain about their bills leading to accumulation of arrears. The company has recorded a steady a rise in the number of customers who don't pay their bills at all or on time for a period of time. This can be attributed to the failure to embrace relationship marketing. Field supervision has been done, meeting with NWSC staff and the customers, training of new employees among others but still customers are not paying their bills and they pay the just pay a small amount it is not clear therefore whether these complaints are caused by the billing system itself or also some factors that need to be identified. For example Soroti had a billing of 300,485,201 but it was able to collect only 196,264,706 with a percentage of 68% (2013-2014 Annual Report) and a billing of 190.266.144 and a collection of 169.804.899 which gave a percentage of 90% (Annual Report 2013-2014), it was reported in the annual report evaluation of 2013-2014. There was therefore a need to carry out a study to establish the effect of relationship marketing and bill recover.

1.3 Objectives of the Study

1.3.1 The Purpose of the Study

To establish the effect of relationship marketing and bill recovery.

1.3.2 Specific Objectives of the Study

1. To find out the effect of relationship marketing on the bill recovery.
2. To determine the different Relationship Marketing Tactics used in organizations.
3. To establish the Relationship between relationship marketing and billing system.

1.4 Research Questions

1. What is the effect of relationship marketing research on bill recovery?
2. What are the other different relationship marketing tactics used in organizations?
3. What is the relationship between relationship marketing and billing system?

1.5 The scope of the Study

Subject Scope

The study focused on relationship marketing and bill recovery in NWSC soroti having relationship market as dependent variable and billing recovery as independent variable. And the relationship between relations marketing and billing recovery.

Time Scope

The research covered a period of 2 years from 2012 November to April-2015; research proposal was from December, 2012 to June, 2013. July to December 2014 was for data collection and then from January 2015 to August 2015 was to write a final research report.

Geographical Scope

NWSC is a government parastatal which was initially established by decree number 34 of 1972, following an earlier study on the need of improvement of water and sanitation services in the large urban centres of Uganda (NWSC Act, 1995).

In Soroti area, it is the mandate of Soroti water partnership to supply potable water and sewerage services to the urban centres of Soroti, amuria and Kaberamaido Districts. Soroti has a total population of over 64,078 and out of these, 5,923 people, representing 9.2% of the population, have access to NWSC piped water (district records, 2014). The Soroti Area was taken over by National Water & Sewerage Corporation (NWSC) in June 2002 and its water network comprises of about 94km of water main and 164km of distribution and service line.

1.6 Significance of the Study

The study is an academic piece meant for partial fulfillment for the award of the Master's Degree in Business Administration at Uganda Martyrs University.

Future researchers with similar interests and expertise will use the findings of this study as a ground for related research studies for advancement of knowledge on the customers' perception about the services and products given.

The results of this study may help marketers know how important relationship marketing is in providing information which may help them in making better decisions especially on bill recovery.

The researcher was of great importance to me as a researcher because I acquired research skills which I can apply to conduct research in other subjects. Skills like developing questionnaires, interacting with new people so as to get necessary information and analyzing data.

The research will be of help to the management of national water and sewerage corporation Soroti area because they will discover the impact of relationship marketing and bill recovery.

1.7 Justification of the Study

This research is meant to contribute to the existing literature in a way that helps managers in finding out where to target their efforts (policies and strategies) in increasing bill recovery. The main purpose of any organizational management is of course achieving organizational goals that help organization sustain competition and it is not possible without recovering all that was billed thus there is a need to know what exactly triggers bill recovery.

Thus to solve this mystery whether relationship marketing triggers bill recovery we will take help from pre-existing survey since the facts and figures collected by the researcher, is reliable and on large scale.

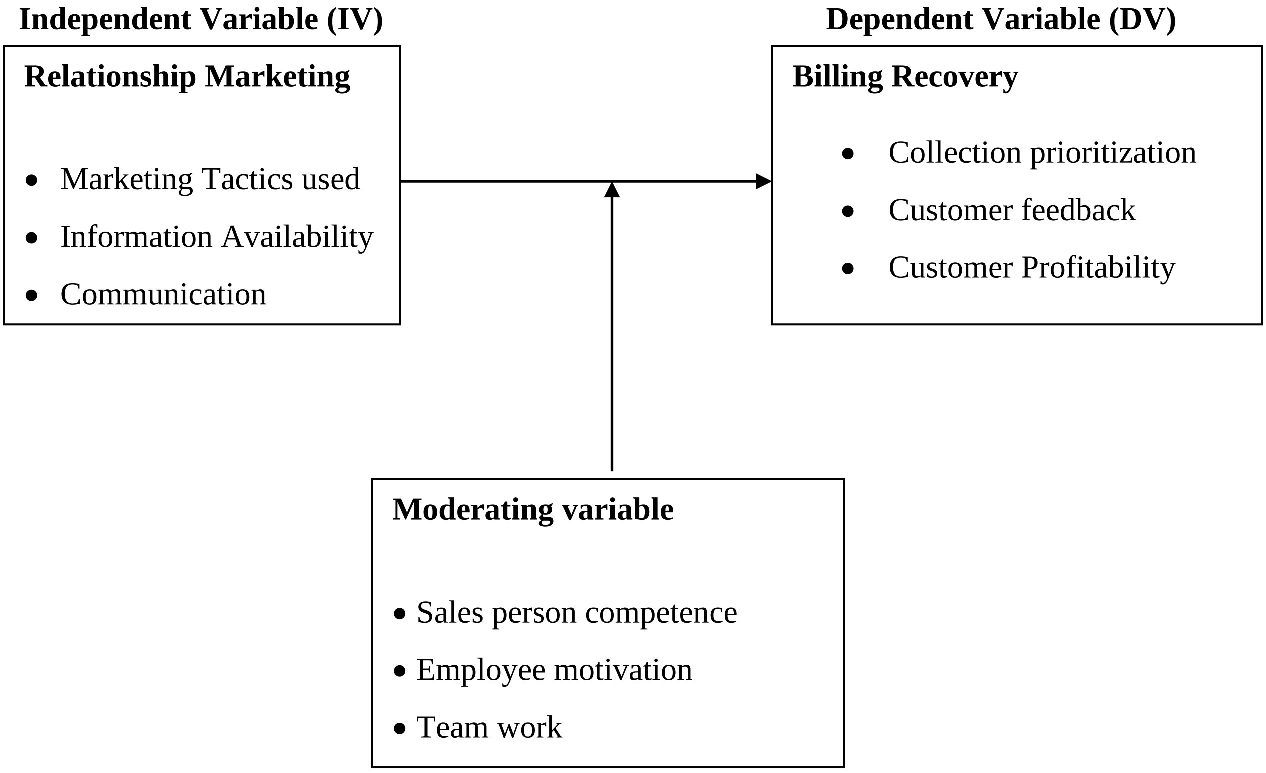
After taking into account different available research methods and their limitations, use of secondary data is found most appropriate to the purpose of this study because the collection of first hand might limit the scope of this study. Since first hand data would be related to only NWSC soroti primary data collection would be difficult to apply on large scale. Thus the said method will be the best to accomplish this research.

1.8 Limitations of the Study

The study was limited by the cost expense. It’s expensive to carry out the study because of the expenses involved like the printing expense that is done every now and then and The researcher was to benefit from the study through the confidence acquired which would enable her purse future research studies with ease because of the professional and also the transport cost of travelling from one place to another.

The time factor was a limitation to the study since the research study has to be done within a given scope of time/ period.

1.9 Conceptual Framework



Source: Researcher 2015

Figure 1.1: Conceptual Framework

Conceptual frame work, according to educational researcher **Smyth (2004),** are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify hi research question and aims.

From the above conceptual framework, the independent variable (relationship marketing) which influence the dependent variable (Bill recovery) in a number of factors such as marketing tactics used, information availability, communication which when handled properly results into collection prioritizations, customer loyalty, and customer satisfaction that yields to sales person competence, employee motivation and organization reputation is achieved.

If the intervening variables are in place that is sale person competence, employee motivation and team work, there will be bill recovery by the corporation and there will also be customer satisfaction.

This will require the management of NWSC Soroti Area to work with the relationship marketing variables to achieve bill recovery which will help the corporation to achieve its Vision and Mission.

1.10 Definition of Key Concepts

Relationship marketing is defined as an establishment, maintenance and enhancement of relationships with customers and other partners, at a profit so that the objectives of the parties involved in it are met (Chaston & Baker, 1998: Colgate & Alexander, 1998: Gronroos, 1994). Relationship marketing is carried out with many relationship marketing tactics, which are widely to be applied in today’s business. Many tactics may have potential to influence relationship quality and retaining customers. On basis of previous researches, four ways of implementing relationship marketing tactics are focused on this study, such as service quality, price perception, value offers and brand image.

Billing system According to Schuthes’ and Summer (1995) they argue that a billing system like any other system, receives inputs of data and instructions, processes the data according to the instructions, processes the data according to the instructions provided and then generates the required output.

Commitment is defined as an adaptation process, which is the result of the parties' intention s to act and positive attitude towards each other (Storbacka, Strandvik & Gronroos, 1994).

Trust is an important aspect of relationship maintenance (Butler, 1986). Trust is the willingness to rely on an exchange partner in whom one has confidence (Moorman *et al.*, 1992) in Armstrong & Seng, 2000).

Social bonding can be defined as the degree of mutual personal friendship and liking shared by the buyer and seller (Wilson, 1995). According to (Han, 1991), social bonds are psychological determinants of cooperation and encompass resources that are emotional or affective in nature. As such, social bonding entails familiarity, friendship and personal confidence built through interpersonal exchange. It measures the strength of a personal relationship, and may range from business to close personal ties (Rodriguez & Wilson, 2002).

Corporation A legal entity that is separate and distinct from its owners. Corporations enjoy most of the rights and responsibilities that an individual possesses; that is, a corporation has the right to enter into contracts, loan and borrow money, sue and be sued, hire employees, own assets and pay taxes.

Employee is a person who works in the service of another person under an express or implied contract of hire, under which the employer has the right to control the details of work performance.

An employer is an organization, institution, government entity, agency, company, professional services firm, nonprofit association, small business, store, or individual who employs or puts to work, an employee.

In exchange for the employee’s work or services, the employer pays compensation that may include a salary, an hourly wage, and benefits that is above the Federally mandated minimum wage in the US.

Most employers offer employees a comprehensive employee benefits package, as they can afford to offer benefits, including health insurance and paid time off, holidays, and vacation. Other employers pay just the salary or hourly wage and do not provide employee benefits.

A business entity is a commercial, corporate and or other institution that is formed and administered as per commercial law in order to engage in business activities. it was founded in 1972 ,the head quarter is Kampala Uganda.

Teamwork. Teamwork refers to actions of individuals brought together for a common purpose or goal. Pitching in refers to the act of coming in to give assistance or to help others carryout some task**.** Does the employee volunteer to assist?

According to HR Bible, one of the most popular myths about teamwork is that the skills of team members are more important than their energy, interest and drive for the tasks. Another popular myth is that members are not individually responsible for the successes or failures of their teams.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the reviewed literature or existing knowledge in the area of marketing research. The reviews look at relationship marketing, the impact of relationship marketing on bill recovery, relationship Marketing Tactics and the Relationship between relationship marketing and billing recovery.

2.1 Relationship Marketing Concept

Marketing is facing a new paradigm, which is Relationship marketing (Ravald & Gronroors, 1996). It is one of the key marketing issues today and it carries with it a strategic shift in managerial thinking from extracting value from transactions to developing mutual value through relationships (Ballantyne, 2000). The current paradigm shift in marketing spurs both marketing scholars and practitioners to expand their traditionally narrow and external demand side perspective. This shift in focus encourages the development and implementation of strategies designed to develop long-term, mutually supportive relationships with customers" (Williams, 1998).

Relationship marketing is defined as an establishment, maintenance and enhancement of relationships with customers and other partners, at a profit so that the objectives of the parties involved in it are met (Chaston & Baker, 1998: Colgate & Alexander, 1998: Gronroos, 1994). There are however different views of relationship marketing. Some authors view it at a more philosophical level since they relate it to marketing for it focuses on customer relationship lifecycles: others have however viewed it at a strategic level where they develop structural bonds. These bonds are however, said to lead to customer detention rather than retention (Dick & Disan, 1994). Relationship marketing has also been viewed by some, as little more than a tactical program of database management and others as an integral part of customer care strategy which goes to the core of the marketing concept (Gronroos, 1994).

Buttle (1996) defined a broad perspective of relationship marketing, which takes into consideration the management of all relationships with which a business is involved. Relationship marketing however, has received heightened attention recently, and has been revamped, developed and refined (Morris et al, 1999). According to Morgan and Hunt (1995), relationship marketing refers to all activities oriented toward establishing, developing and maintaining successful exchange relationships (Morris, Barnes and Lynch (1999). Evans & Laskin (1994) further define relationship marketing as a customer- centred approach whereby a firm seeks long term relationships with prospective and existing customers" (Grossman, 1998).

According to Sheth and Parvatiyar (1995), the purpose of relationship marketing is therefore, to enhance marketing productivity by achieving efficiency and effectiveness (Hunt, 2001).

Relationship marketing however involves changing from the activities of attracting customers to activities which concern having customers and taking care of them (Storbacka, Strandvik & Gronroos, 1994). This particular variable has attracted a great debate on antecedents. Components of successful relationships go as far as 13 relationship variables (Conway, 1996; Selnes, 1994). However, given situational variables, authors like Wilson, 1995 argue that one might add or delete from the list to capture the relationship situation. For example authors like Morgan & Hunt (1994) have identified relationship marketing to constitute trust, commitment, and adaptation and others have identified trust, commitment, communication, satisfaction and customer orientation (Colgate & Alexander, 1998: Conway & Swift, 2000). Thus, this shows that it is not clear yet as to the definite components of relationship marketing are and literature has focused mostly on Industrial Marketing and Consumer Products and less on Consumer services (Conway & Swift, 2000: Too, Souchon & Thirkell, 2000). This is further elaborated in the words of Fourier (1998) as cited in Too *et al.,* (2000).

The field of relationship marketing theory has leapt ahead to application of relationship ideas and the assumption of relationship benefits without proper development of the core constructs involved" Few studies have attempted to address what it actually entails. However, Relationship Marketing has established itself as an underlying paradigm in modem business-to business marketing (Gronroos, 1994).

Furnell and Karweni (1999) further state that inter-organizational relationships are critical in business-to-business marketing (Eid, Trueman, & Ahmed, 2002). Efforts of business-to-business marketing are focused on buyer-seller relationships (Webston, 1984). Buyer-seller interdependence is a unique aspect of business-to-business marketing, and selling efforts are directed towards individual customer organizations (Yau *et al.*, 2000).

2.2 The Components of Relationship Marketing

According to Cannon *et al.,* (1999) there are 6 underlying dimensions, which anchor on business actions that characterize relationships: information exchange, operational linkages, legal bonds, cooperative norms, relationship-specific adaptations by buyers and sellers. For the purposes of this study however, the researcher has concentrated on the components of commitment trust and social bonds as they form the foundation of relationship formation (Knapp& Taylor, 1994) and maintenance (Grossman, 1998).

2.2.1 Commitment

Commitment is defined as an adaptation process, which is the result of the parties' intention s to act and positive attitude towards each other (Storbacka, Strandvik & Gronroos, 1994). It may also be defined as an implicit or explicit pledge of the continuity of a relationship between exchange parties. In an ongoing relationship between printing equipment supplier and buyer, parties expect to be committed to what they have in common. Relationship commitment is a key characteristic associated with successful marketing relationships (Morgan & Hunt, 1994), and is the most desirable aspect of relationships (Wetzels *et al.,* 1998).

Commitment is the foundation upon which relationships are built (Berry & Parasuraman, 1994) and has described as crucial in determining relationship formation (Knapp & Taylor, 1994). Commitment is an important factor in relationship maintenance and in absence of direct rewards may be the predictor of whether the relationship lasts (Lund, 1985). If there is no commitment, the customer may be lost forever (Grossman, 1998). Parties identify commitment among exchange partners as key to achieving valuable out comes for themselves, and they endeavor to develop and maintain this attribute in their relationships (Morgan & Hunt, 1994). Therefore commitment is a psychological sentiment of the mind through which an attitude concerning continuation of a relationship with a business partner is formed (Grossman, 1998).

Commitment can be described as a way of responding to customer needs and is a key dimension of being market oriented (Kohli & Arworski, 1990). This commitment is expected to be a norm within a relationship, and fulfilling this expectation is thus postulated to drive customer satisfaction. Just like trust, commitment has been linked to satisfaction, still producing a confusing relationship. As some authors believe that satisfaction increases commitment from both parties in a relationship (Buttle, Naude, Myhal & Hopkinson, 2000) yet others like Seines (1998) consider commitment to drive customer satisfaction, which in turn leads to customer retention. Literature is still lacking evidence on what influences the other. However for printing equipment suppliers to develop effective relationships with their customers, they have to become committed too, satisfied and retained (Conway & Swift, 1998).

2.2.2 Trust

Trust is an important aspect of relationship maintenance (Butler, 1986). Trust is the willingness to rely on an exchange partner in whom one has confidence (Moorman *et al.*, 1992) in Armstrong & Seng, 2000). It is a belief that a partner's word or promise is reliable and a party will fulfil his/her obligations in the relationship (Schurr & Ozanne, 1985). Trust is built through experience thus more experiences a customer has with a finn, the more trusting he/she is likely to become (Grossman, 1998).

According to Rempel *et al.,* (1985) trust comprises three elements; predictability, dependability and faith. Predictability refers to the consistency in behaviour and the stability of the social environment. It is based upon past experience in a relationship and develops over time. Faith requires the individual to look beyond the available evidence and believe that the future events will be consistent with past experience. Dependability is the knowledge the customer has that the firm will be available if something goes wrong (Grossman, 1998). Trust is a major determinant of commitment (Mettila & Moler, 1990; Achrol, 1991). The relationship between two parties develops over time and they gain experience and learn to trust each other, they will gradually increase their commitment through transaction - specific investments in products, processes or people dedicated to the particular relationship (Selnes, 1998).

2.2.3 Social Bonds

Social bonding can be defined as the degree of mutual personal friendship and liking shared by the buyer and seller (Wilson, 1995). According to (Han, 1991), social bonds are psychological determinants of cooperation and encompass resources that are emotional or affective in nature. As such, social bonding entails familiarity, friendship and personal confidence built through interpersonal exchange. It measures the strength of a personal relationship, and may range from business to close personal ties (Rodriguez & Wilson, 2002). Structural bonds which are fundamentally linked to economic exchange and defined by negotiated transaction (Emerson, 1981) are not sufficient for the maintenance and communication of the relationship because in the presence of weak social bonds, there is the possibility of opportunism (Madhok, 1995, in Rodriguez & Wilson, 2002). Buyers and sellers who have a strong personal relationship are more committed in maintaining the relationship than less socially bonded partners (Wilson & Mummaleni, 1986).

From the industrial marketing perspective, the way to retain customers is by forging not *only* social bonds but multi-level bonds comprising financial, social and structural bonds, Turnbull and Wilson (1989). Social bonds, according to Turnbull and Wilson, refer to positive interpersonal relationships between the buyer and seller.

Although they did not provide an explicit definition of structural bonds they implied, through their illustrations, that structural bonds refer to relationships that are built upon joint investments which cannot be retrieved when the relationship ends. This may be due to the complexity of the relationships and the cost of changing to another supplier. For example, in terms of training of printing equipment operators, for example, a switch to another type of printing machine would require total retraining of the operators. Structural bonds, therefore help create value to the customers by saving the costs of retraining or making a new investment with a new supplier Turnbull and Wilson (1989).

However, according to Moller, (1994) in Rodriguez & Wilson (2002) social bonding is very important in business-to-business marketing (i.e social bonding between interacting individuals is the primary explanatory factor for the development of inter-organizational relationships).

2.3 The Effect of Relationship Marketing on the Bill Recovery

During the last decade of the 20th century, relationship marketing has been seen as the mainstream of though in planning a marketing strategy both in industrial marketing and consumer marketing (Tseng, 2007). According to Morgan and Hunt (1994), relationship marketing was defined as all the marketing activities that are designed to establishing, developing, and maintaining successful relational relationship with customers bill recovery.

Hougaard & Bjerre (2002) also defined relationship marketing as "company behavior with the purpose of establishing, maintaining and developing competitive and profitable customer relationship to the benefit of both parties". Due to profitable relationship on a lifetime basis may also create loss in some stages during the lifetime, Hougaard and Bjerre (2002) argued that marketing management must pay attention to three different objectives in terms of :

- "The management of the initiation of customer relationships";
- "The maintenance and enhancement of existing relationships";
- "The handling of relationship termination".

Wulf *et al.,* (2001) suggested that different levels of relationship duration would result in different levels of consumption experience, producing different results, satisfaction and loyalty with different relationship marketing tactics.

Compared with traditional marketing, relationship marketing is more concerned about building customer relationships in order to achieve long-term mutual benefits for all parties involved in the exchanges. Relationship marketing essentially means developing customers as partners, where a approach is different from traditional transaction (Bowen & Shoemaker, 2003).

Since the final purpose of relationship marketing is to gain the maximal value of a customer, customer loyalty should be emphasized to achieve this goal. The benefits of relationship marketing derive from the continuing patronage of loyal customers who as a partnership are not sensitive to price cut over time (Bowen and Shoemaker, 2003). Interdependence, mutual cooperation and commitment between supplier and customer tend to be essential in relationship marketing, as such whole relationship is viewed as the key to competitive advantage (Hougaard & Bjerre, 2002).

The competitive environment becomes more turbulent, the most important issue the sellers face is no longer to provide excellent, good quality products or services, but also to keep loyal customers who will contribute long-term profit to organizations (Tseng, 2007). To compete in such overcrowded and interactive marketplace, marketers are forced to look beyond the traditional 4Ps of marketing strategy, which are no longer enough to be implemented for achieving competitive advantage. Therefore, relationship marketing has become an alternative means for organizations to build strong, ongoing associations with their customers. As a part of marketing strategy, relationship marketing seek to acquire and retain customers by providing good quality customer services, and therefore has become one of the keys to success in acquiring strong competitiveness in the present markets, because of its implications for access to markets, generation of repeat purchase, creation of exit barriers, and the view that it benefits all parties (Andaleeb, 1996).

Relationship marketing has received much attention in both academy and practice areas in the last few decades. It was during the last decade of the 20^{th} century that relationship marketing began to dominate the marketing field (Egan, 2001). During this period relationship marketing became a major trend in marketing and management business (Ibid). Relationship marketing is concerned about building customer loyalty by providing value to all the parties involved in the relational exchanges (Peng and Wang, 2006), as customer loyalty is the final goal of relationship marketing.

Buyers and sellers in markets achieve mutual benefits through developing relationships, which are not simple that a customer is 100 per cent loyal to a vendor (Stone & Woodcock, (2007).

2.4 Relationship Marketing Tactics used in Organizations

There have been various ways for marketers to implement relationship marketing tactics, which are expected to have impact on bill recovery, customer retention and loyalty. Bansal, Taylor & James (2005) suggested that relationship marketing tactics can be executed through service quality, price perception, value offered, alternative attractiveness, and so on.

Relationship marketing is carried out with many relationship marketing tactics, which are widely to be applied in today's business. Many tactics may have potential to influence relationship quality and retaining customers. On basis of previous researches, four ways of implementing relationship marketing tactics are focused on this study, such as service quality, price perception, value offers and brand image.

Tseng (2007) discussed that tactics as direct mail, tangible rewards, interpersonal communication, preferential treatment and membership could enhance long-term relationship and increase relationship satisfaction, trust and commitment. Peng and Wang (2006) also examined the application of relationship tactics in service quality, reputation (brand), price perception, value offers.

According to (Bolton, *et al.*, 2000), marketing experts should give heed to relationship marketing and its tactics, nowadays, salesman strives not only to provide high-quality goods and services but also to retain loyal customer due to long-time profitable. Gruen (1997) notes that relationship marketing is a strategy that promises "the systematic development of ongoing, collaborative business relationships as a key source of sustainable competitive advantage. An organization must prizes to customer propensity for a valuable goods and services in order that attracting its loyalty and satisfaction. Therefore, relationship marketing can be considered as main point in planning marketing.

There are often switching behaviors occurred in different stages of a partnership relationship. Relationship marketing tactics are thus approaches to apply relationship marketing in practice (Tseng, 2007). Effective customer-oriented relationship marketing tactics may help marketers to acquire customers, keep customers, and maximize customer profitability, and finally build up customer loyalty.

There have been various ways for marketers to implement relationship marketing tactics, which are expected to have impact on customer retention and loyalty. Bansal, Taylor and James (2005) suggested that relationship marketing tactics can be executed through service quality, price perception, value offered, alternative attractiveness, and so on. Tseng (2007) discussed that tactics as direct mail, tangible rewards, interpersonal communication, preferential treatment and membership could enhance long-term relationship and increase relationship satisfaction, trust and commitment. Peng and Wang (2006) also examed the application of relationship tactics in service quality, reputation (brand), price perception, value offers.

Based on the early theories, certain relationship marketing tactics which are considered of importance in service industry, such as service quality, price perception, value offers and brand image, will be focused in the following parts.

2.4.1 Service Quality

Service is different from physical products. Compared with physical products, Service is thought to be intangible, heterogeneous, produced and consumed simultaneously, unable to be kept in stock, etc. A widely accepted definition of service is proposed by Grönroos in 1990 as: “A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems” (see Grönroos, 2000, p.46). This definition implied that service is a process where interactions between customer and service provider most often exist. Hence, in a service context, there are almost a relationship between customer and service provider; such relationship can be used as a basis for marketing (Grönroos, 2000).

In order to retain loyal customer who will bring long-term profit to the firm, the key issue for service provider is to make use of this relationship in the way it manages customers by offering what the customers' needs and wants.

The quality of a service is subjectively perceived by customers during the interactions with a firm (Grönroos, 2000). Parasuraman *et al.,* 1988) defined service quality as the consumers' judgment about a firm's overall excellence or superiority. What happens and perceived by customers in the interaction process will obviously have critical impacts on customers' evaluation of service quality (Grönroos, 2000).

Due to the peculiar attributes of service, the evaluation of service quality is more complex than evaluation of product quality. There have been various ways for measurements of service quality proposed by previous researches and literatures. The famous measurement model of service quality is SERVQUAL developed by Parasuraman *et al.,* (1988), who measured the differences between customer expectations and perceptions cross five determinants as follows:

Tangibles: Appearance of physical facilities, equipment, employees and communication materials from a service company.

Reliability: A service company's ability to perform the promised service dependably and accurately.

Assurance: employees' knowledge and behavior about courtesy and ability to convey trust and confidence.

Responsiveness: A service company is willing to help customers and provide punctual services.

Empathy: A service company provides care and individualized attention to its customers, as well as having convenient operating hours.

Later, based on integrating previous studies and conceptual works, Grönroos (2000) summarized seven criteria of good perceived service quality as: (1) professionalism and skills; (2) employees' attitudes and behavior; (3) accessibility and flexibility; (4) reliability and trustworthiness; (5) service recovery; (6) serviscape; and (7) reputation and credibility. The first criteria is outcome-related and thus a technical quality dimension; the last one is image-related and fulfils a filtering function; and the rest five ones are process-related and present the functional quality dimensions (Ibid).

High service quality is regarded as a key to succeed in competitive service markets. Many researchers have showed that service quality perceived by customers are will directly influence customers' satisfaction, as well as their trust in the service firm (Parasuraman *et al.*, 1988; Aydin and Özer, 2005; Ismail *et al.*, 2006; etc.).

Customers might be satisfied when a firm provides better services than their pre-purchase expectations. Customer trusts also emerge when customers perceive positive service quality from a firm, and believe the service firm would bring preferable outcomes for them. In mobile telecommunication industry which belongs to service industry, service quality is an important indicator to assess a service provider's performance. Offering a high quality service is considered to be a visible way to create customers trust and satisfaction, as well as obtaining competitive advantages and building a long-term relationship with customers.

Anderson (1988) defines a billing system as “a collection of interrelated and inter-dependent parts that are organized in such a way as to accomplish the objectives of preparing and presenting written statements of charges for goods delivered and/or services rendered to customers. It may be purely manual, that is calling for physical recording and processing of bills by individual personnel or it may be semi-manual or computerized.

According to Van Home (1980) customer billing is defined as “the creation of accruing receivables in the books of the seller. He looks at accounts receivable as an extension of open accounts credit by one firm to other firms and individuals.

The literature cited above seems to suggest that services are often provided on credit and a bill detailing units consumed and the unit price is provided to the customer after consuming the service. Boggess (1967) suggested customer credit is a philosophy of “buy now pay later”. The organization delivers a service or product now but there is a delay in receiving payment from the customers. The credit extension function then becomes a certain commitment of company funds for uncertain returns to an organization (Copeland and Khoury, 1980).

According to Hussein (1987), billing was the creation of an account receivable in the books of the seller. A bill is a charge to customer or clients to be entered in the books of accounts.

Level of technological advancement, financial status, level of competition with in an industry, technical competence and inferiority of operation are some of the factors that may affect the choice of billing system. (Bonhage, 2003; Hunealt, 2001; Anderson, 1988).

2.4.2 Price Perception

Price is the monetary cost for a customer to buy products or services. It is the critical determinant that influences customer buying decision. Customers usually select their service providers strongly relying on perceived price. How much consumers are willing to pay differs due to their different needs and wants. Thus, the price perceptions to the same service products may differ among individuals. Higher pricing perceived by consumers might negatively influence their purchase probabilities (Peng and Wang, 2006). Price perception is also thought to be related to price searching (Lichtenstein *et al.*, 1993). Consumers are likely to be attracted by perceived high-quality services at perceived competitive prices during the searching process.

Oliver (1997) suggested that consumers often judge price relating to service quality, and accordingly generate satisfaction or dissatisfaction, depending on the equity principle. If a consumer perceives price as fairness, he or she is willing to conduct this transaction with the service provider. Based on previous studies, Cheng *et al.* (2008) proposed that price perception can be measured by two dimensions: one is reasonableness of prices, which reflects the way that price is perceived by customers comparing to that of competitors; another is value for money, which implies the relative status of the service provider in terms of price. In general, high-quality services are considered to cost more than low-quality equivalents (Chitty *et al.*, 2007)

Many researchers have pointed out that price perception influences customer satisfaction and trust (Oliver, 1997; Peng and Wang, 2006; Cheng *et al.*, 2008; Kim *et al.*, 2008). Customer often switch mainly due to some pricing issues, e.g. high price perceived, unfair or deceptive pricing practices (Peng and Wang, 2006). Therefore, in order to increase customer satisfaction, it is essential for service firms to actively manage their customers' price perceptions, e.g. carrying out attractive pricing, offering reasonable prices mix, lower prices without decreasing quality, etc.

2.4.3 Brand Image

Brand concept has been frequently discussed in marketing literatures. Brand building is not only an important driving force for marketing physical products, it is also a vital issue for service firms. *Brand image* was defined by Keller (1993) as the "perceptions about a brand as reflected by the brand associations held in consumers' memory." It is thought as the perception or mental picture of a brand formed and held in customers' mind, through customers' response, whether rational or emotional (Dobni and Zinkhan, 1990). According to Grönroos (2000), "A brand is not first built and then perceived by the customers. Instead, every step in the branding process, every brand massages, is separately perceived by customers and together add up to a brand image, which is formed in customers' minds". Therefore, brand image is consequence of how a customer perceives the relationship with a brand over time (Ibid).

The concept of relationship marketing within services displays the importance of one-to-one relationships between businesses and customers as well as relationships between consumers and the brands (O'Loughlin, Szmigin, and Turnbull, 2004). The development of a brand relationship with customers is based on a series of brand contacts experienced by customers (Grönroos, 2000). What customer perceives the brand image during such experience is critical issue for a service firm to realize. Furthermore, customers is likely to form brand image in mind from inexperience ways, such as word of mouth from other consumers, a company's reputation in public, marketing communication, and so on. A positive brand image make it easier for a firm to convey its brand value to consumers, also generates favorable word of mouth among people; contrarily, a negative image affect people in opposite direction; a neutral or unfamiliar image may not cause any damage, but it does not increase the effectiveness of communication and word of mouth either (Ibid). The more customers consider a brand valuable, the more sales can be expected to be achieved (Ibid). Therefore, a positive brand image is supposed to meet customer's expectation and offer more benefits to customer, which may lead to customer satisfaction and trust.

2.4.4 Value Offers

Customers will judge the value of consumption after contrasting benefits gained from products and services with their costs (Zeithaml, 1988). Service firms provide superior value through enhanced offers can improve customer satisfaction by increasing the customer's perceived benefits and reducing the sacrifice so that customer retention is improved (Ravald and Grönroos, 1996).

Therefore, companies should concern about customer's value from customer's point of view, and thoroughly understand customer's value chain in order to be able to reduce customer-perceived sacrifice (Wilson and Jantrania, 1995). Increasing the customer benefits means adding something to the core product that the customer perceives important, beneficial and of unique value (Ibid). In telecommunication sector, it is essential for operators to offer something valuable to customers in service interaction process, such as reward refund activities and promotional offers, in order to gain customer satisfaction and trust, which are expected to enhance customer loyalty.

2.5 Relationship between Relationship Marketing and Billing Recovery

According to Sweetney (1992) a successful billing system will result in fewer customer complaints as regards to delayed bills or inaccurate billing.

Ochieng (2000: 16) cites that a proper billing system should move a mechanism of checking all errors in the bills and also double check them before actual distribution and delivery is done which should reduce customer dissatisfaction.

MacDonald (1998) emphasized the importance of service companies to attach great importance to customer satisfaction as regard billing. The billing system should meet customers' needs with complete integrated solution rather than stand along unplanned products and technologies. The communication technologies should provide platforms for data collection, input, processing, output, and the information that is necessary to management to integrate the technologies with water use of customer facilities. Such technology should provide an accurate reliable and timely bill to customers leading to their satisfaction with the billing procedure.

Relationship Quality (RQ) emerged from the field of Relationship Marketing (RM). Due to the importance of relationship marketing in today's businesses, relationship quality is essential for assessment of relationship strength and the satisfied degree of customer needs and expectations (Crosby & Evans & Cowles, 1990; Smith, 1998). Successful exchange events can finally lead to an enduring buyer-seller relationship if they are properly treated from both a buyer and a seller's perspectives (Crosby *et al.*, 1990). In some service contexts, since service is invisible and heterogeneous, customers would feel high uncertainty and risk in the transaction (Li and Ho, 2008). Whereas, good relationship quality could reduce service uncertainty and risk for the purpose of increasing customers' reliability to develop long-term relationships (Crosby *et al.*, 1990; Li and Ho, 2008). In other words, higher quality of relationship creates association between service providers and customers, and fosters long-term stable exchanges where both parties can gain mutual benefits (Singh, 2008).

Relationship quality does not have a widely accepted definition and measures (Singh, 2008). Various dimensions have been used to measure relationship quality within marketing researches. One attempt to conceptualize relationship quality has been proposed by Grosby *et al.*, (1990), who viewed relationship quality as a high-order construct and should contain at least two dimensions: trust and satisfaction.

Morgan and Hunt (1994) drew the commitment-trust theory by proposing that trust and commitment are two basic constructs for measuring relationship quality. By integrating different research viewpoint, Chakraborty, Whitten and Green (2007) discussed that relationship quality is measured in terms of trust, commitment, culture, interdependence, and communication. Otherwise, Lages *et al.*, (2005), from a perspective of business organization rather than consumers, suggested that relationship quality reflected the intensity of information sharing, communication quality, long-term orientation and satisfaction with the relationship between the exporter and importer.

Although there are no consensuses regarding the components that form up relationship quality, it is generally accepted that trust and satisfaction are two significant factors for measuring relationship quality. Especially in the context of service markets, high relationship quality perceived by customers is achieved through customer trusts and customer satisfaction, which are two key points for service providers to consolidate stable long-term relationship with their customers, and in turn achieve customer retention and loyalty behavior. Therefore, we study relationship quality by focusing on trust and satisfaction from customers' perspectives.

Trust is one of the most widely subjects across multi disciplines, including management, economics, philosophy and psychology. Various definitions of trusts have been given in previous literatures. One general concept of trust was provided by Mayer, Davis and Schoorman (1995), who systematically studied organizational trust and defined trust as the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the other party. Geyskens and Steenkamp (1995) also summarized trust as the extent to which a firm believes that its exchange partner is benevolent and honest. Doney and Cannon (1997) emphasized that trust is the perceived credibility and benevolence. Based on above definitions, it is clear that trust is a human characteristic that is based on assessment of one another's personality traits (Chu, 2009), motives and behaviors (Tian *et al.*, 2008). In the development of trust, trustors' expectations and perception about trustees are involved. This is suggested that the level of trust is different significantly among individuals based on their personal decision-making habits and characteristics (Chu, 2009).

Trust or distrust often takes place with a relationship built up. As a supplier actively makes relationship efforts, it provides evidence to customers that the supplier can be trusted, concerns about the customers' interests and is willing to make sacrifices for satisfying customers' needs in the relationship (Liang and Wang, 2008).

In practical business activities, therefore, the development of trust is considered to be a critical result of establishing a long-term successful relationship between all the parties involved. In face of complicated service markets, customers tend to behave and make purchasing decision depending on their previous consuming experiences (Doney and Cannon, 1997), their expectations (Anderson and Narus, 1990; Mayer et al., 1995) and perception (Liu et al., 2008; Gwinner *et al.,* 1998; Doney and Cannon, 1997) to service providers. Investing in long-term relationship with customers thus helps to develop customer trusts and improve the effective quality of a relationship in order to obtain mutual interests (Anderson & Weitz, 1989). Customers with trusts in service providers' capability would probably be willing to commit to a service relationship for meeting their expectations (Morgan and Hunt, 1994).

Even when the environment is changing, the customers would believe that the service provider will take customers' interests into account instead of doing anything harmful to the development of relationship (Liu *et al.,* 2008).

Mayer *et al.*, (1995) conceptualized organizational trust by proposing three core elements as: trustee's ability, trustee's benevolence and trustee's integrity. These three dimensions have been further supported and adopted by several researchers to operate trust in their later studies.

(Lin and Ding, 2005; Aydin and Özer, 2005; Tian *et al.*, 2008). Besides, cumulative process in a relationship was considered to construct trust on the basis of a party's capability of implementing its obligations continuously (Doney and Cannon, 1997; Aydin and Özer, 2005).

Trust is considered so important to long-term relationships and enhancing bill recovery through customer loyalty.
Many researchers have suggested that customers' trust is a significant role in building long-term relationship and achieving customer loyalty (Berry, 1995; Bowen and Shoemaker, 2003; Chu, 2009). With trust as a precursor, a customer becomes loyal to a firm and forms a Customer satisfaction has been paid much attention among theoretical literatures and practical researches. It is also an expected outcome of implementing marketing activities, as providing satisfying products or services to customers relate to success achieved in today's tensely competitive world of business.

Fornell (1992) defined satisfaction as an overall evaluation dependent on the total purchase and consumption experience of the target product or service performance compared with repurchase expectations over time. Oliver (1997, 1999) reviewed satisfaction as pleasurable fulfillment which is sensed by customers in the consumption. It means that “the consumer senses that consumption fulfills some need, desire, goal, or so forth and that this fulfillment is pleasurable (Oliver, 1999).

In relationship marketing literatures, customer satisfaction has also been thought to be a key performance indicator for enhancing bill recovery between service provider and customers. Customers’ expectations regarding costs and benefits of the relationship mainly depend on past experience, and satisfying experiences increase the motivation and the likelihood that an individual stays in the relationship (Mouri, 2005).

Customer perception to products or services has been widely used to measure customer satisfaction. According to Li (2008), five emotions perceived by customers as below are satisfactory:

(1) Satisfaction: the products can be accepted or tolerated;

(2) Content: the products bring people with a positive and happy experience;

(3) Relieved: the products remove people’s negative state;

(4) Novelty: the products bring people with freshness and exciting;

(5) Surprise: the products make customer unexpectedly pleased.

Furthermore, customer satisfaction also has been measured relying on the phases of customer relationship life cycle, which characterizes different stages of a customer relationship and requires focus on specific target and customer expectation of different stages (Spath and Fähnrich, 2007).

In general, customer satisfaction enhances the quality of relationship between customers and service providers, and increases the repeat purchase behavior.

Switching behavior refers to customer's termination of a relationship with a provider (Mouri, 2005). There are many reasons that might lead to customer switching behavior. Bitner (1990) proposed that customers change service provider due to time limitation, money constraints, and unavailable access to information, or habit among parties. Keaveney (1995) also suggested eight critical factors will cause switch behavior, such as attraction by competitors, inappropriate employee response to service failures, pricing problems, core service failures, service encounter failures, inconvenience, ethical problems, and situation changes.

Switching cost incurred when a customer switches from an existing service provider to a new one. It is a barrier that influence customer's decision to change service provider. Selnes (1993) suggested that switching cost includes the technical, financial, and psychological costs that make it difficult or costly for customers to change brands. Patterson and Smith (2003) defined switching cost as the customer's perception of the importance of the additional cost led to ending up a relationship and to securing an alternative one. N'Goala (2007) argues that the perceived costs of switching can be either monetary or non-monetary (time, effort, risk taking, psychological nature, etc.).

Higher switching costs perceived by customers may affect their switching behaviors. In other words, the higher switching costs perceived, the more willing of a customer to remain loyalty with current service provider.

Customer loyalty is the most important goal of implementing relationship marketing activities.

Oliver (1997) defined customer loyalty as a “deeply held commitment to rebury or repatronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” . Customers are the driving force for profitable growth and customer loyalty can lead to profitability (Hayes, 2008). For a customer, loyalty is a positive attitude and behavior related to the level of re-purchasing commitment to a brand in the future (Chu, 2009). Loyal customers are less likely to switch to a competitor solely because of price, and they even make more purchases than non-loyal customers (Bowen and Shoemaker, 2003). Loyal customers are also considered to be the most important assets of a company (Blackton, 1995).

It is thus essential for vendors to keep loyal customers who will contribute long-term profit to the business organizations (Tseng, 2007). Attempt to make existing customers increase their purchases is one way to strengthen the financial growth of a company (Hayes, 2008).

Furthermore, organization’s financial growth is dependent on a company’s ability to retain existing customers at a faster rate than it acquires new ones(Ibid). Therefore, good managers should understand that the road to growth runs through customers – not only attracting new customers, but also holding on existing customers, motivating them to spend more and getting them to recommend products and services to the other people (Keiningham *et al.,* 2008).

Customer loyalty has been generally divided into attitudinal loyalty and behavioral (Aydin and Özer, 2005). Attitudinal loyalty describes customer's attitude toward loyalty by measuring customer preference, buying intention, supplier prioritization and recommendation willingness; on the other hand, behavioral loyalty relates to shares of purchase, purchasing frequency (Ibid).

There are evidences suggesting that stronger relationship commitment leads to buyers' repeat patronage. Wulf *et al.,* (2001) defined the construct of behavioral loyalty as a composite measure based on a consumer's purchasing frequency and amount spent at a retailer compared with the amount spent at other retailers from whom the consumer buys. Morgan and Hunt (1994) found significant relationships between the level of a buyer' s relationship commitment and his acquiescence, propensity to leave, and cooperation, all of which can be regarded as behavioral outcomes of relationships.

In general, customer loyalty are the final purpose that firms implement relationship marketing.

In relationship marketing literatures, customer satisfaction has also been thought to be a key performance indicator for evaluating the quality of a relationship between service provider and customers. Customers' expectations regarding costs and benefits of the relationship mainly depend on past experience, and satisfying experiences increase the motivation and the likelihood that an individual stays in the relationship (Mouri, 2005).

2.6 Conclusions

This chapter has generally explored relationship marketing on bill recovery, relationship marketing tactics and the relationship between relationship marketing and bill recovery. From the above literature, I can conclude that relationship marketing can really have an impact on bill recovery as discussed from above and there is clear link between relationship marketing and bill recovery in NWSC Soroti. However it can also be concluded that no clear scholar has come out to examine the effect of relationship marketing and bill recovery hence the relevance of this research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter was about the methodological research design that would be used in the process of conducting the study. The chapter therefore described and discuss the research design that was adopted, the sample size and characteristics, sampling techniques, data collection method, instrument of data collection, validity and reliability, research procedure, ethical consideration and method of data analysis.

3.1 Research Design

This study used a case study design where both quantitative and qualitative approaches were applied. A case study design was adopted because it provided an in-depth study of the problem within limited time scale (Amin, 2005).

The quantitative approach was used because it helped the researcher to quantify data gathered from a large group of respondents in a shorter time. Quantitative approach therefore helped the researcher to analyze data in big numbers. In other words, this approach was concerned with the collection and analysis of data in numeric form.

The qualitative approach on other hand was used because it enabled the researcher to get in-depth textual information using interviews, group discussion and documentary analysis (Ibid, 2005). In other words, this approach was concerned with collecting and analyzing non-numeric information. The focus was on exploring, in as much detail as possible, smaller numbers of instances or examples which were seen as being interesting or illuminating (Blaxter, Hughes & Tight, 1996)

3.2 Area of Study

The study targeted mainly staff of National water and Sewerage Corporation and the customers of Soroti area focusing particularly on relationship marketing and bill recovery.

3.3 Study Population

The study was carried out at National Water and Sewerage Corporation within Soroti town from the Marketing Staff and customers of NWSC since the study was investigating on the relationship that employees had with the customers on billing recovery. Soroti has a total population of over 64,078 and out of these, 5,923 people have access to piped water. The target population for this study included 125 employees of national water and Sewerage Corporation and customers.

3.4 Sample Size Determination

A sample is simply a subset of the population (Amin, 2005). The sample was used in this study because of the inability of the researcher to test all the individuals in the population. The sample was a representative of the population from which it was drawn and it had a good size to warrant statistical analysis because a scientific approach by Krejce & Morgan (1970) sample size table was used to determine the sample to participate in this study. Here the total population and a sampling error of ±5% was used to determine the sample size of the study. The main function of the sample was that it allowed the researcher to conduct the study to individuals from the population so that the result of their study was used to derive conclusions that applied to the entire population.

The sample size was arrived at from the total population of 125 with the sample error of 0.05. The formula given by Taro Yamane (1970) was used to find the sample selection as given below.

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{125}{1+125(0.05)^2}$$

$$n = 95$$

Where

n = the number of sample,

N = the total population,

e = the probable error.

From Tora's formula, a sample size of 95 respondents were considered for the study as illustrated in figure 3.1 below;

Table 3.1: Study Population

Departments	**Population**	**Sample**
Commercial (Marketing Staff)	14	8
Customers	111	87
Total	**125**	**95**

3.5 Sample Procedure and Sampling Technique

Sampling is the process of selecting units (e.g., people, organizations) from a population of interest so that by studying the sample the researcher may fairly generalize the results back to the population from which it was chosen (deMarrais & Lapan, 2004).

In this study, the research applied purposive sampling and simple random sampling techniques.

3.5.1 Purposive Technique

This is where the researcher zeroed on the respondents who could give the formation that was needed (Oso, 2005). The researcher used purposive technique to sample respondents in the commercial (marketing) department who provided the researcher with needed information. This technique was helpful to the researcher because it helped in leading the researcher to respondents with needed information in the short time that would be available for research.

3.5.2 Simple Random Sampling

This is a technique used to select participants in a given interval with a purpose of ensuring equality in representation (Blaxter, Hughes & Tights, 2010). The researcher used this technique to select customers who had subscribed to NWSC in Soroti participated in the study. The reason for the use of this technique was because the customers were many.

Therefore, it was necessary to select them using simple random techniques using numbers and in interval of every third. The merit of this technique to the researcher is that it enabled the researcher to utilize the little time available because the selection using numbers is very simple.

3.6 Data Collection Method

Two methods of data collection were used in the study. These included Primary method which involved use of survey questionnaires and face to face interview. These are explained in detail in the following subsections.

The Secondary method was used and this involved exploring literature written by others through books, magazines, journals and so forth.

3.6.1 Primary Data Source

This refers to raw facts collected or generated in a given research for the first time. This data was generated from the sample population of 95 employees and customers by use of the questionnaire that where distributed to all respondents in Commercial and Customer care and customers of Nwsc. interviews were also used to get information from customers and staff of Nwsc. The data was collected from all respondents; the primary data was transformed in to quality information that was used in producing the final report on relationship marketing and bill recovery in NWSC Soroti area.

3.6.2 Secondary Data Source

This method involves sourcing for already processed information. Data was got by reviewing relevant text books, journals, newspapers, records of NWSC and other published materials about the research topic. The secondary data is mostly used in chapter two in literature review, chapter four in interpretation, analysis and discussion of the findings and in answering research questions on motivation and employee performance in NWSC Mbale Area.

3.7 Research Instruments

Data was collected using questionnaires and interview guides.

3.7.1 Questionnaire

Self-administered questionnaires (SAQs) were used to collect quantitative data from respondents. SAQs were used for these category of respondents to save time because their number was big to interview and the researcher had limited time to undertake the study.

A close-ended questionnaire and abit of open ended covering all the aspects of the study variables and accompanied with a Likert scale response continuum, that is strongly agree, agree, undecided, disagree and strongly disagree was used to collect data from the respondents. The questionnaire approach was selected because it enabled the collection of data from a large sample in a short time.

3.7.2 Interview Guides and Face to face interviews

Interview guide was used to collect data from key informants. This involved a face-to-face interview session with interviewees on the issues relating to the study variables. This approach was preferred because the interview provided the respondents an opportunity to reflect on events and it allowed the researcher to probe for in-depth information.

Face-to-face interviews were done to collect data from the commercial department managers because they enabled the researcher to establish rapport with these categories of respondents and therefore gain their cooperation. They also allowed the researcher to clarify ambiguous answers and obtain in-depth information through probing.

3.8 Ethical Consideration

The researcher fully explained the objectives of the study to all the respondents. In addition, their consent was sought and their right to confidentiality assured before submitting questionnaires. Furthermore, the researcher fully observed their right to privacy and anonymity.

3.9 Data Collection Procedure

The research was conducted using the following procedure. The researcher obtained an introductory letter from Uganda Martyrs University that helped in conducting the study. Using the letter, permission was sought from NWSC and its customers to conduct the study. The researcher then circulated the questionnaires.

3.10 Quality Control Methods

Validity

This ensured that the instruments used yielded relevant and correct data. The instruments used were given to two experts to comment on the ambiguity, difficult and relevancy of questions to ensure construct, content and face validity. In addition, Content Validity Ratio (CVR) for the questionnaires was computed. If the CVRs for the questionnaire is above 0.7, which is recommended by Nunnally as cited by Kent (2001), the questionnaire was considered suitable for collecting data.

Table 3.2: Reliability of the Instruments

Cronbach's Alpha	Cronbach's Alpha based on Standardised Items	No of Items
.483	.716	43

Source: Primary data, (2015)

Table 3.2 shows the statistical Cronbach's Alpha analysis based on the standardization of items in an instrument to show their reliability to providing the right information in regards to the topic under study. The results in the table indicate that the items in the questionnaire are reliable for data collection indicated by the figure 0.716, compared to the unreliable items representing the figure of 0.284; this then shows that the instruments were reliable for data collection.

Reliability

Reliability was used to measure the degree to which the questionnaire would produce consistent results used under the same conditions. The questionnaires were pilot tested on 20 respondents and the results subjected to Cronbach alpha reliability, which is a test of internal consistency. If the alpha for the questionnaire is above or equal to the recommended 0.7 Nunnally (1967) cited by Kent (2001), the questionnaire were considered reliable for collecting data.

3.11 Data Management and Processing

Data collected from the field was edited, coded and categorized into themes. Thereafter, it was entered into a computer program known as Statistical Package for Social Scientists (SPSS).

3.12 Data Analysis

Two types of analyses were used. The first were frequencies and percentages, then the second included inferential statistics, thus correlations were made.

3.12.1 Quantitative Analysis

Quantitative data was collected, edited and coded using SPSS. Descriptive statistics were used where frequencies and percentages were produced. The frequencies and percentages were used to determine the respondents' views on each of the study variables.

The sign of the correlation was used to determine the change in variables. The correlation was used to determine the impact of relationship marketing on billing recovery of NWSC Soroti Branch.

3.12.2 Qualitative Analysis

In qualitative analysis, content analysis was used to edit the data and recorgnised it into meaningful shorter sentences. This was then presented as quotations to supplement the quantitative data in order to have a clear interpretation of the data.

3.13 Limitations and Delimitations of the Study

The researcher faced the following challenges while carrying out the study but within reasonable means found solutions to them as is discussed below;
The time allocated to the research work might be very limited, since there was a lot of work to be done. However the researcher had to put in more effort to finish in time.

The researcher didn't not have enough funds to meet all the research requirements such as stationery, binding and transport costs. However the researcher tried to minimize the little funds available.

Given the nature of the study, being a finance institution, probing finance information is seen as an audit and with a wrong staff attitude towards the audit function, it was only expected that resistance was encountered. The researcher's approach was very helpful here with emphasis on research professionalism, code of conduct and principle of anonymity assured to the staff.

Some respondents delayed to fill in the questionnaires which made it hard to carry out timely data analysis .The delay in completing the questionnaires was either due to the busy schedule or paying little attention and importance of the study. This challenge was overcome by involving and motivating the manager, who is at the center of management of the stakeholders in mobilizing the respondents.

3.14 Conclusion

In this chapter the research methodology has been presented. This included the design and strategy, which is a case study. The tools of data collection, the process of data organization, analysis and presentation was elaborated.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

In this chapter, findings of field study are presented, analysed, discussed and interpreted with the help of frequencies after which a conclusion is drawn.

4.1 Personal Demography of the Respondents

Demographic data of respondents was collected, analysed so as to know the nature of respondents. The outcomes were as follows:

4.1.1 Sex

Both sexes participated in this study and the findings revealed the following;

Table 4.1: Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	67	70.5	70.5	70.5
	Female	28	29.5	29.5	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

By gender, the findings show that more males participated in the study than females; as indicated by 70.5% and 29.5% respectively. The findings imply that the men dominated the study compared to the female. Basing on the marketing department, there were more male personnel employed in marketing water products, connection of new customers and disconnecting water while the female are mainly concentrated in office works like billing and monitoring performance of the accounts. In addition to that, more male customers were the majority respondents because in NWSC, to get a line of water, one has to own a property or land whereby men were dominating more properties. This implies that in Uganda today, property lies in the hand of men than women.

4.1.2 Educational Status

The study investigated on the various levels of education of the respondents and the findings revealed the following;

Table 4.2: Educational Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	9	9.5	9.5	9.5
	Secondary	45	47.4	47.4	56.8
	Diploma	24	25.3	25.3	82.1
	First Degree	11	11.6	11.6	93.7
	Master’s degree and above	6	6.3	6.3	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

The majority of the respondents (47.4%) had ended at secondary level of education, this was followed by 25.3%,third was first degree of education, masters degree only had 6.3% and those who ended at primary level constituted 9.5% of the respondents.

The findings imply that majority of the respondents had at least reached secondary level of education, hence they could understand the research instruments well and reliable information was acquired from them. From the research findings, most of the customers in Uganda are educated hence, Uganda values education as a country as reflected in Eastern Region, Soroti Area. Therefore, NWSC as a company has also followed the trend by employing educated people as reflected in table 4.2 above.

4.1.3 Occupation

Table 4.3: Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Private organization employed	25	26.3	26.3	26.3
	Government organization employed	19	20.0	20.0	46.3
	Self employed	43	45.3	45.3	91.6
	Others	8	8.4	8.4	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

When respondents were asked of their occupation, the majority of them 45.3% revealed that they were self employed, whereas 26.3% were employed with private organizations and only 20% revealed that they had been employed with government organizations. The findings imply that majority of the respondents were running their own businesses. Most customers are self employed because most of the people focus on agriculture and small businesses. Hence they are job creators than job seekers.

4.1.4 Distance to the Service Center of the Organization

The study investigated on the distance in kilometers to the service center of the organization and the findings revealed the following;

Table 4.4: Distance in kilometers to the service center of the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 kilometers	11	11.6	11.7	11.7
	5-10 kilometers	16	16.8	17.0	28.7
	10-15 kilometers	42	44.2	44.7	73.4
	More than 15 kilometers	25	26.3	26.6	100.0
	Total	94	98.9	100.0	
Missing	System	1	1.1		
Total		95	100.0		

Source: Primary Data, 2015

Respondents were asked of the distance in kilometers they traveled to reach the service center of the organization and most of the respondents (44.2%) showed that it was 10-15 kilometers, 26.3% revealed that it was more than 15 kilometers, 16.8% revealed that it was 5-10 kilometers and 11.6% showed that it was less than 5 kilometers.

The findings of the study imply that respondents walked for long distances to reach the service centers which affected the quality of services received. In addition to that, NWSC needs to extend their water services to most of the nearby rural areas to be able to serve majority of the population with clean and safe water as emphasized by the government of Uganda.

4.1.5 Time Spent to get the Service

Table 4.5: How Much Time did it take you to get the Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 30 minutes	22	23.2	23.2	23.2
	30 minutes---1hour	23	24.2	24.2	47.4
	1hour –4 hours	17	17.9	17.9	65.3
	more than 4 hours	33	34.7	34.7	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

When respondents were asked of the time it took them to get to the service center, 23.2% revealed that it took 30 minutes, 24.2% showed 30-1 hour, 17.9% showed 1-4 hours and 34.7% who constituted the majority showed that it took them more than 4 hours. Since most respondents were taking more hours on the journey to reach the service centers, it means that services were always delayed. Hence leading to a low response by customers to pay bills

4.1.6 Times of Coming to the Office to get the Service

Table 4.6: How many Times did you come to the Office to get the Service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Once	37	38.9	38.9	38.9
	Twice	24	25.3	25.3	64.2
	Thrice	21	22.1	22.1	86.3
	More than thrice	13	13.7	13.7	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

The majority of the respondents (38.9%) revealed that they had come to the office to get the service only once, 25.3% twice, 22.1% thrice and 13.7% revealed that more than thrice. The findings of the study imply that most respondents do not frequent NWSC for help probably because of the long distance as revealed by table 4.5 above. This is because they feel that when they come their complaints will not be worked on very fast hence delay in paying the bills.

4.2 Effect of Relationship Marketing on Bill Recovery

This was the first objective of the study which examined the effect of relationship marketing on bill recovery and the findings showed the following;

4.2.1 Qualified Revenue and Marketing Staff Lead to Bill Recovery

The study investigated whether the qualified revenue and marketing staff lead to bill recovery where table 4.7 below summarizes the findings;

Table 4.7: Qualified Revenue and Marketing Staff Lead to Bill Recovery

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	31	32.6	32.6	32.6
	Agree	42	44.2	44.2	76.8
	Disagree	11	11.6	11.6	88.4
	Strongly disagree	1	1.1	1.1	89.5
	Not decided.	10	10.5	10.5	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

When respondents were asked whether qualified revenue and marketing staff lead to bill recovery, 32.6% of the respondents strongly agreed, 44.2% who constituted the majority agreed, 11.6% disagreed, 1.1% strongly disagreed and 10.5% were undecided. The findings of the study imply that qualified revenue and marketing staff had a big impact on bill recovery as agreed by a cumulative percentage of 76.8% of the respondents.

However through interviews, one customer revealed that most of the staff in the marketing department are majority trained in connection and disconnection hence do not have the required marketing qualifications to handle customers' complaints which has made it hard to relate in relationship marketing and bill recovery. This makes it hard for them to collect their billing.

4.2.2 Relationship Marketing provides valuable information which guides all of the marketing activities of NWSC

The study investigated whether relationship marketing provides valuable information which guides all of the marketing activities of NWSC and the table below provides the summary of the findings;

Table 4.8: Relationship Marketing provides valuable information which guides all of the marketing activities of NWSC

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	33	34.7	34.7	34.7
	Agree	32	33.7	33.7	68.4
	Disagree	14	14.7	14.7	83.2
	Not decided.	16	16.8	16.8	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

Table 4.8 above shows 34.7% who were the majority who strongly agreed that marketing provides valuable information which guides all of the marketing activities of NWSC, 33.7% also agreed, 14.7% disagreed and 16.8% were undecided. The findings imply that marketing provides valuable information which guides all of the marketing activities of NWSC but it is not used by National water staff that is why not all the billing is collected as reflect in the July, 2015 bi-annual Report.

The findings revealed that that the quality of input data entered in a billing system will determine the quality of output information generated by it. Once output is generated, it is inform of reports needed by different functional managers for their decision-making activities and invoices (bills) to customers to reflect their obligation towards the organization.

According to Schuthes' and Summer (1995) they argue that a billing system like any other system, receives inputs of data and instructions, processes the data according to the instructions, processes the data according to the instructions provided and then generates the required output.

4.2.3 Relationship Marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills

On whether relationship marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills, respondents provided the following information;

Table 4.9: Relationship Marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	35	36.8	36.8	36.8
	Agree	35	36.8	36.8	73.7
	Disagree	15	15.8	15.8	89.5
	Not decided.	10	10.5	10.5	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

According to the study, 36.8% of the respondents strongly agreed that relationship marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills, the same percentage (36.8%) agreed, 15.8% disagreed and 10.5% were undecided.

The field findings imply that relationship marketing is important in identifying the information required by customers to improve, monitor marketing actions and payments of bills.

The findings are in agreement with MacDonald (1998) emphasized the information that is necessary to management should be used to integrate the technologies with water use of customer facilities. Such technology should provide an accurate reliable and timely bill to customers leading to their satisfaction with the billing procedure.

4.2.4 Relationship marketing connects the consumer, and marketer through the medium of information

This variable investigated whether relationship marketing connects the consumer and marketer through the medium of information and the respondents revealed the following;

Table 4.10: Relationship marketing connects the consumer and marketer through the medium of information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	21	22.1	22.1	22.1
	Disagree	36	37.9	37.9	60.0
	Agree	14	14.7	14.7	74.7
	Strongly agree	9	9.5	9.5	84.2
	Not decided.	15	15.8	15.8	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

It was further strongly disagreed by 22.1% that relationship marketing connects the consumer, and marketer through the medium of information, 37.9% disagree, 14.7% agree, 9.5% strongly agree and 15.8% were not decided.

The findings of the study imply that relationship marketing does not connect the consumer and marketer through the medium of information. However, the marketing manager revealed that there are many communication mechanisms in which the corporation is supposed to communicate to its clients like through phone calls, emails, phone messages, printed bills which most customers claim do not receive. Its mainly printed bills which are supplied but sometimes delayed for over three months leading to accumulated bills.

In support of the findings, Berry (1983) revealed that the practice of relationship marketing has been facilitated by several generations of customer relationship management software that allow tracking and analyzing of each customer's preferences, activities, tastes, likes, dislikes, and complaints.

4.2.5 Relationship Marketing and Values of Prompt Payments

Table 4.11 investigated whether relationship marketing enables customers to learn the values of prompt payments where findings were summarized as follows;

Table 4.11: Relationship marketing enables customers learn the Values of Prompt Payments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	17	17.9	17.9	17.9
	Agree	11	11.6	11.6	29.5
	Disagree	21	22.1	22.1	51.6
	Strongly disagree	28	29.5	29.5	81.1
	Not decided.	18	18.9	18.9	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

The majority of the respondents (29.5%) strongly disagreed that relationship marketing enables them to learn the values of prompt payments, this was followed by 22.1% who disagreed 17.9% strongly agreed and 11.6% agreed. however, 18.9% were not sure. The above findings imply that relationship marketing does not enable customers to learn the values of prompt payments as strongly disagreed by 29.5% who constituted the majority. When one customer was interviewed, he lamented that "*National Water staff don't apply the concept of relationship marketing while handling their customers in the field yet in company tends to recognize the concept".*

The user friendliness of the payment system is one of the aspect in relation to customer satisfaction especially during sales support. In NWSC payments are made from the cashier's desk at NWSC branches and different banks in the country plus the mobile payment systems. This ensures prompt payments from clients.

4.2.6 Relationship Marketing and Analyzing Customer History of Payments

Table 4.12: Whether relationship marketing enables marketers on how to analyze customer history of payments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	39	41.1	41.1	41.1
	Agree	30	31.6	31.6	72.6
	Disagree	10	10.5	10.5	83.2
	Strongly disagree	9	9.5	9.5	92.6
	Not decided.	7	7.4	7.4	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

41.1% of the respondents who constituted the majority strongly agreed that relationship marketing enables marketers on how to analyze customer history of payments, this was followed by 31.6% of the respondents, 10.5% disagreed and 9.5% strongly disagreed.

The above findings imply that relationship marketing enables marketers on how to analyze customer history of payments if NWSC puts in to consideration that their worker in the marketing department embrace it and also apply it on ground. In relationship marketing, customer profile, buying patterns, and history of contacts are maintained in a sales database, and an account executive is assigned to one or more major customers to fulfill their needs and maintain the relationship.

4.2.7 Monitoring customers and ability to develop product/service strategies

Table 4.13: Whether the marketers continually monitor customers and are able to develop product/service strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	33	34.7	34.7	34.7
	Disagree	34	35.8	35.8	70.5
	agree	11	11.6	11.6	82.1
	Not decided.	17	17.9	17.9	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

The marketers continually monitor customers and are able to develop product/service strategies as revealed by 35.8% of the respondents who disagreed, 34.7% strongly disagreed, 11.6% agreed and 17.9% were not decided.

The marketers continually monitor customers and are able to develop product/service strategies. In relationship marketing, monitoring provides more detailed information about the contribution of individual relationship to the overall performance of the organization.

Knox *et al.*, (2003) and Payne (2006) in support of the findings revealed that organizations need to understand the value proposition from both the organizational and customer perspective and create value for each customer segment, implying the need for the creation of knowledge about the customer before undertaking CRM project design. All this can be achieved if there is monitoring customers and ability to develop product/service strategies

4.2.8 The information required to address the need and wants of the consumers is known to the marketer

Table 4.14: The information required to address the need and wants of the consumers is known to the marketer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	24	25.3	25.3	25.3
	disagree	26	27.4	27.4	52.6
	agree	15	15.8	15.8	68.4
	Strongly agree	21	22.1	22.1	90.5
	Not decided.	9	9.5	9.5	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

The study investigated whether information required to address the need and want of the consumers is known to the marketer and 25.3%strongly disagreed, 27.4% disagreed, 15.8%agreed and 22.1% strongly agreed.

According to the findings, although there most of the respondents 52.6% disagreed that the information required to address the need and want of the consumers is known to the marketer, there was still a big percentage of 15.8 and 22.1% who agreed and strongly agreed respectively. This means the needs and desires of the customers are not known and effectively met.

In agreement with the findings, Lages *et al.*, (2005), highlighted that from a perspective of business organization rather than consumers, suggested that relationship quality reflected the intensity of information sharing, communication quality, long-term orientation and satisfaction with the relationship between the supplier and the customer.

4.2.9 Relationship Marketing Completes the Communication Loop between the Seller and the Marketer

Table 4.15: Relationship marketing completes the communication loop between the seller and the marketer

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	17	17.9	17.9	17.9
	Agree	31	32.6	32.6	50.5
	Disagree	24	25.3	25.3	75.8
	Strongly disagree	23	24.2	24.2	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

From the findings, 17.9% strongly agreed that relationship marketing completes the communication loop between the seller and the marketer, 32.6% agreed, 25.3% disagreed and 24.2% strongly disagreed.

In relationship marketing, both the buyer and seller have an interest in providing a more satisfying exchange. This approach tries to disambiguiously transcend the simple post purchase-exchange process with a customer to make more truthful and richer contact by providing a more holistic, personalized purchase, and uses the experience to create stronger ties.

Table 4.16: Effect of Relationship Marketing on Bill Recovery

Correlations

		Qualified revenue and marketing staff lead to bill recovery	Customer loyalty and satisfaction
Qualified revenue and marketing staff lead to bill recovery	Pearson Correlation	1	.591**
	Sig. (2-tailed)		.000
	N	95	95
Customer loyalty and satisfaction	Pearson Correlation	.591**	1
	Sig. (2-tailed)	.000	
	N	95	95

**. Correlation is significant at the 0.01 level (2-tailed).

The above table reveals that there is a positive effect of relationship marketing on bill recovery in NWSC by a Pearson correlation coefficient as r=59.1; p=0.000 which is significant. This implies that the existence of qualified revenue and marketing staff lead to bill recovery in the organization.

4.3 Different Relationship Marketing Tactics used in Organizations

There have been various ways for marketers to implement relationship marketing tactics, which are expected to have impact on bill recovery, customer retention and loyalty. This objective investigated the different relationship marketing tactics used in organizations and respondents revealed the following;

4.3.1 An Effective Mailing System that Ensures the Spread of Information Regarding Customer Bills

Table 4.17: An effective mailing system that ensures the spread of information regarding customer bills

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	6	6.3	6.3	6.3
	Agree	9	9.5	9.5	15.8
	Disagree	39	41.1	41.1	56.8
	Strongly disagree	29	30.5	30.5	87.4
	Not decided.	12	12.6	12.6	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

Table 4.17 above shows 6.3% of the respondents strongly agreed that there was an effective mailing system that ensures the spread of information regarding customer bills, 9.5% agreed, 41.1% who constituted the majority disagreed, 30.5% strongly disagreed and 12.6% were not decided.

The findings of the study imply that NWSC does not have an effective mailing system that ensures the spread of information regarding customer bills. The findings are in disagreement with Tseng (2007) who discussed that tactics as direct mail, tangible rewards, interpersonal communication, preferential treatment and membership could enhance long-term relationship and increase relationship satisfaction, trust and commitment.

4.3.2 The Management ensures Service Quality to its Customers to motivate them to pay on Time

Table 4.18: The Management ensures Service Quality to its Customers to motivate them to pay on Time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	10.5	10.5	10.5
	Agree	14	14.7	14.7	25.3
	Disagree	25	26.3	26.3	51.6
	Strongly disagree	18	18.9	18.9	70.5
	Not decided.	28	29.5	29.5	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

According to the above findings, 10.5% of the respondents strongly agreed that the management 26.3% disagreed, 18.9% strongly disagreed and 29.5% were not decided. From the findings, it can be concluded that the management of NWSC does not ensures service quality to its customers to motivate them to pay on time as revealed by 26.3% of the respondents. Grönroos (2000) reveals that in order to retain loyal customer who will bring long-term profit to the firm, the key issue for service provider is to make use of this relationship in the way it manages customers by offering what the customers' needs and wants.

4.3.3 NWSC regularly carries out field visits/audits and give technical advice on how to overcome problems of bill payments

Table 4.19: NWSC regularly carries out field visits/audits and give technical advice on how to overcome problems of Bill Payments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	14	14.7	14.7	14.7
	Disagree	20	21.1	21.1	35.8
	Agree	19	20.0	20.0	55.8
	Strongly agree	10	10.5	10.5	66.3
	Not decided.	32	33.7	33.7	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

Respondents were asked whether NWSC regularly carries out field visits/audits and give technical advice on how to overcome problems of bill payments and 14.7% strongly disagreed, 21.1% disagreed, 20% strongly agreed whereas 10.5% strongly disagreed and 33.7% were not decided.

The findings of the study show that NWSC does not regularly carry out field visits/audits and give technical advice on how to overcome problems of bill payments. It goes without saying that professionals in any industry want to understand the market in which they sell, and the people who are buying their products or services.

One field officer lamented that "*Auditors only come to filed sites only once after 6 months where they take few case studies and usually go with wrong findings on which their reports are based on".*

According to Kotler, *et al*., (1999) unexpected information about your product or company *always* comes out when talking to people in person. You learn things about people when you look them in the eyes. They gain trust in you, which increases the trust you have in your own ability to make tough decisions.

4.3.4 Keep Customers Informed of the Progress Happening in their Accounts Hence Bill Recovery

This variable investigates whether keeping customers informed of the progress happening in their accounts leads to bill recovery and respondents revealed the following;

Table 4.20: Keep Customers Informed of the Progress happening in their Accounts hence Bill Recovery

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	10	10.5	10.5	10.5
	Agree	14	14.7	14.7	25.3
	Disagree	25	26.3	26.3	51.6
	Strongly disagree	18	18.9	18.9	70.5
	Not decided.	28	29.5	29.5	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

Furthermore, table 4.19 above investigated whether NWSC keeps customers informed of the progress happening in their accounts hence bill recovery and 10.5% strongly agreed, 14.7% agreed, 26.3% disagreed, 18.9% strongly disagreed and 29.5% were undecided.

The findings reveal that customers are not always kept informed of the progress happening in their accounts hence bill recovery, hence bill recovery is not collected in time and monthly. Therefore relationship marketing is not effectively used to all customers.

Under distance-selling Dawkins and Reichheld (1990) provided that businesses are legally obliged to provide customers with certain information about their order including a description of the goods or service, price, cancellation rights and delivery information. You must also make it clear who you are by providing your business name and location, address of your registered office and contact details.

4.3.5 Customer Loyalty and Satisfaction by NWSC leads to Bill Recovery

Table 4.21: Customer Loyalty and Satisfaction by NWSC leads to Bill Recovery

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	33	34.7	34.7	34.7
	disagree	27	28.4	28.4	63.2
	Agree	8	8.4	8.4	71.6
	Strongly agree	15	15.8	15.8	87.4
	Not decided.	12	12.6	12.6	100.0
	Total	95	100.0	100.0	

Source: Primary Data, 2015

From the field findings, the majority of the respondents strongly disagreed by 34.7% that customer loyalty and satisfaction by NWSC leads to bill recovery, this was followed by 28.4% who disagreed, 15.8% strongly agreed, 8.4% agree and 12.6% were not decided.

Relationship marketing relies upon the communication and acquisition of consumer requirements solely from existing customers in a mutually beneficial exchange usually involving permission for contact by the customer through an "opt-in" system. Gale and Chapman (1994) provided that with particular relevance to customer satisfaction the relative price and quality of goods and services produced or sold through a company alongside customer service generally determine the amount of sales relative to that of competing companies.

4.4 The Relationship between Relationship Marketing and Billing System

Correlations

		Relationship marketing	Bill recovery
Relationship marketing	Pearson Correlation	1	.539**
	Sig. (2-tailed)		.000
	N	60	60
Bill recovery	Pearson Correlation	.539**	1
	Sig. (2-tailed)	.000	
	N	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

The above table shows that there is a positive relationship between relationship marketing and bill recovery in NWSC by Pearson correlation coefficient as r = 539, p = 0.000 which is significant. This implies that when the organization has qualified revenue and marketing staff, the marketing department knows how to monitor staff, the information required to address the needs of its customers, and when there is clear communication between NWSC staff and its clients, then the organization will be able to recover its bills in time.

4.5 Review

Apart from the above Data can be analyzed using Stata and descriptive means can be used to analyze the results with the help of regressions for the relationship between twovariables.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings and conclusion of the results presented in the previous chapter and there after recommendations arising out of the findings of the study. The discussion of findings in relation to the study research questions follows the order in which the study questions were stated.

5.1 Summary of the Major Findings

5.1.1 Relationship Marketing on Bill Recovery

The findings of the study showed that qualified revenue and marketing staff had a big impact on bill recovery as agreed by the majority of the respondents. When respondents were asked whether qualified revenue and marketing staff lead to bill recovery, 32.6% of the respondents strongly agreed, 44.2% who constituted the majority agreed,

The findings revealed that that the quality of input data entered in a billing system will determine the quality of output information generated by it. Once output is generated, it is inform of reports needed by different functional managers for their decision-making activities and invoices (bills) to customers to reflect their obligation towards the organization.

The field findings strongly disagrees that relationship marketing is important in identifying the information required by customers to improve and monitor marketing actions and payments of bills. Because its only applies in NWSC documents but action on ground is not applied by the marketing department according to 81.1%

The findings of the study reveal that relationship marketing enables marketers on how to analyze customer history of payment, 41.1% of the respondents who constituted the majority strongly agreed that relationship marketing enables marketers on how to analyze customer history of payments. If NWSC puts in to consideration that their worker in the marketing department embrace it and also apply it on grounds, these wounds enable Soroti area to collect all their bills. In relationship marketing, customer profile, buying patterns, and history of contacts are maintained in a sales database, and an account executive is assigned to one or more major customers to fulfill their needs and maintain the relationship.

The marketers who continually monitor customers are able to develop product/service strategies. In relationship marketing, monitoring provides more detailed information about the contribution of individual relationship to the overall performance of the organization.

According to the findings, 27.4% of the respondents disagreed that the information required to address the need and want of the consumers is known to the marketer, there was still a percentage of 15.8 and 22.1% who agreed and strongly agreed respectively. This means the needs and desires of the customers are not known and effectively met. The percentage of 27.4% was high because most of the employees and customers disagreed that the information required to address the needs and wants is known to them. Customers disagreed with the statement because they receive estimated bills, over billings and sometimes zero consumption which has discouraged them from paying their bills, and resorting to other means of water.

5.1.2 Different Relationship Marketing Tactics used in Organizations

The findings of the study imply that NWSC has no effective mailing system that ensures the spread of information regarding customer bills as disagreed by many according to the research carried.

From the findings, it can be concluded that the management of NWSC does not ensures service quality to its customers to motivate them to pay on time as revealed by 41.1% of the respondents who disagreed.

However, some respondents revealed that NWSC does not regularly carry out field visits/audits and give technical advice on how to overcome problems of bill payments.

It was further reveal that some customers are not kept informed of the progress happening in their accounts hence bill recovery is always affected making Soroti area not able to collect their total bills hence increase in arrears. This can be improved through sending short messages to their phones and providing them with regular bills.

5.2 Conclusion

Retaining customers in the service industry has become a major objective of relationship marketing. Relationship marketing tactics are considered to be essential for building long-term relationship with customers in order to achieve mutual benefits of all parties. Although relationship marketing tactics has not been widely implemented by NWSC staff and hence affecting customers resulting to bill recover no recovered on time which has affected Soroti areas performance.

5.3 Relationship between Relationship Marketing and Bill Recovery

The findings revealed that there is a positive relationship between relationship marketing and bill recovery in NWSC by Pearson correlation coefficient as r = 539, p = 0.000 which is significant. This implies that when the organization has qualified revenue and marketing staff, the marketing department knows how to monitor staff, the information required to address the needs of its customers, and when there is clear communication between NWSC staff and its clients, then the organization will be able to recover its bills in time.

5.4 Recommendations

Basing on the findings, the following recommendations have been suggested. The suggested recommendations have been arranged according to the research objectives in the following discussion below:

NWSC should employ staff with higher qualifications in terms of level of education because the study showed that more of the employees have diplomas.

For best results, it's important to communicate frequently and vary the types of messages you send.

NWSC should prioritize their customers, this will make customers to trust the organization, would be loyal, their profitability will enhance and their success will be continued.

NWSC should devise their servicing strategies so that they meet customers' aims and values in the best manner in addition to achieve their targets. In this way, the customers conceive that they have shared values with their banks. This will lead to attract customer satisfaction.

The study proposes that NWSC determines their services based on customer needs and expectations by identifying and recognizing customers' needs and expectations.

Likewise, it is suggested that by establishing information systems to obtain the feedback of customers and to receive their ideas and recommendation on current services, employees' treatment and so on, it will pave the ground for improving and providing better qualitative services to customers. This will cause that the customers feel that their opinions are important for the organization and there is a mutual relationship between them and their corporation.

NWSC should embrace relationship marketing for successful bill recovery since it helps in fewer customer complaints as regards to delayed bills or inaccurate billing.

NWSC staff should be accessible to customers when needed to answer queries about their bills. This will help the organization address the real core customer complaints hence bill recovery.

The organization should built up trust with its customers since it is considered to be a critical result of establishing a long-term successful relationship between all the parties involved.

5.5 Future Research

During the process of the thesis different aspects that aroused can be developed and further implicated in a later research in the following areas.

1. The Role of Relationship Marketing in Customer Orientation Process in the private organizations.
2. The effects of respect and rapport on relationship quality perception of customers in private owned firms.

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APPENDICES

Appendix I: Questionnaire to be Filled by Customers

The questionnaire is intended to establish the impact of relationship marketing on bill recovery in National Water and Sewerage Corporation. Information acquired from respondents has a significant contribution for the success of the study. So you're kindly requested to respond to the questionnaire. I would like to thank you in advance for your cooperation

Note

- No need of writing your name
- Please put a mark \√/ or write your opinion on the space provided
- It is possible to provide more than one answer if necessary.
- Your responses are confidential and used for research purposes only.

Part one: - Characteristics of respondents

1. Sex: A. Male ☐ B. Female ☐

2. Educational status

A. Primary ☐ D. First Degree ☐

B. Secondary ☐ E. master's degree and above ☐

C. Diploma ☐

3. Occupation

A. Private organization employed ☐

B. Government organization employed ☐

C. Self employed ☐

D. Others ------------------------------

Part two. Specific Information

5. How many kilometers do you travel to reach the service center of the organization?

A. less than 5 kilometers ☐ B. 5-10 kilometers ☐

C. 1o-15 kilometers ☐ D. more than 15 kilometers ☐

6. How much time did it take you to get the service?

A. less than 30 minutes B. 30 minutes---1hour ☐ ☐

C. 1hour –4 hours ☐ D. more than 4 hours

E. other (specify)---

7. How many times did you come to the office to get the service?

A Once ☐ B. Twice ☐

C. Thrice. ☐ D. More than thrice ☐

The following items are assumed to describe the impact of relationship marketing on bill recovery in National Water and Sewerage Corporation. Put a mark /√/ in the column in front of the item

No	Variable	Strongly agree	Agree	disagree	Strongly disagree	Not decided.
8	Qualified revenue and marketing staff lead to bill recovery					
9	Relationship Marketing provides valuable information which guides all of the marketing activities of NWSC					
10	Relationship Marketing identifies					

	the information required by customers to improve and monitor marketing actions and payments of bills.					
11	Relationship marketing connects the consumer, and marketer through the medium of information					
12	Relationship marketing enablesus to learn the values of prompt payments					
13	It enables marketers onhow to analyze customer history of payments					
14	The marketers continually monitor customers and are able to develop product/service strategies					
15	The information required to address the need and want of the consumers is known to the marketer.					
16	NWSC is able to analyze customer behavior and continually monitor customers so as to develop product strategies.					
17	Relationship marketing completes the communication loop between the seller and the marketer.					

SECTION II: THE DIFFERENT MARKETING TACTICS USED BY ORGANISATIONS TO ENSURE BILL RECOVERY

		Strongly Agree	Agree	Not Decided	Disagree	Strongly Disagree
1	An effective mailing system that ensures the spread of information regarding customer bills					
2	The management ensures service quality to its customers to motivate them to pay on time					
3	NWSC regularly carries out field visits/audits and give technical advice on how to overcome problems of bill payments					
4	Keep customers informed of the progress happening in their accounts hence bill recovery					
5	Customer loyalty and satisfaction by Nwsc leads to bill recovery					
6	Collection prioritization and strategy determining which account has the highest bill and payment potential					

SECTION III: RELATIONSHIP MARKETING AND BILL RECOVERY

		Strongly Agree	Agree	Not Decided	Disagree	Strongly Disagree
7	A successful billing system will result in fewer customer complaints as regards to delayed bills or inaccurate billing.					
8	Being accessible to customers when needed to answer queries about their bills.					
9	Relationship quality is essential for assessment of relationship strength and the satisfied degree of customer needs and expectations					
10	Trust or distrust often takes place but with a relationship built up the development of trust is considered to be a critical result of establishing a long-term successful relationship between all the parties involved.					

Thank you

Appendix II: Interview guide

1. Relationship Marketing identifies the information required by customers to improve and monitor marketing actions and payments of bills
2. What are some of the communication mechanisms in which the corporation is supposed to communicate to its clients?
3. How to you ensure that customers have values of prompt payment?
4. How do you continually monitor your customers?
5. How do you ensure that you have information on the customers' needs and wants?
6. Which is the most efficient mailing system used for your customers?
7. How does management ensure that customers pay in time?
8. How often do auditors make field visits?