

## ABSTRACT

Arusha Urban Water and Sanitation Authority (AUWSA) has boarded on a striving undertaking of electronic billing (e-billing) and payment service and replaced manual delivery and postal mailing and payment of water bills. In this regard, it was significant to assess the effectiveness of e-billing and customer satisfaction in order to find out whether customers are satisfied with the service specifically on perceived service quality dimensions, perceived ease of use and the anticipation perceptions on perceived challenges and benefits accruing from the service and whether are merely limited to AUWSA or surpass to the Authority's potential customers. This study specifically assessed whether AUWSA's staffs and customers are satisfied, the impact of perceived ease of use, the influence of perceived challenges and benefits and finally the assessment of factors which determined staffs' and customers' level of satisfaction of utilising e-billing and payment service. The study adopted descriptive, explanatory and exploratory research design. The targeted population constitutes 41,983 from staffs and customers. A sample of 396 respondents was found using stratified random and purposive sampling method. This study adopted structured questionnaire and interview for data collection. The questionnaire prepared from staff and customers were checked and their validity was confirmed by group of experts, including professors and specialists of the field for clarity and its trust was pilot tested and computed using Cronbach's alpha ( $\alpha \geq 0.7$ ) for reliability of each main variables of the research before distributed widely for data collection for the ultimate study. Data were analysed using Statistical Package for Social Sciences software (SPSS). Data were analysed using both descriptive, inferential statistics were Pearson correlation, multiple regression and rotated component matrix factor analysis was done. Finally content analysis was used to analyse qualitative data from conducted interview. Perceived ease of use, perceived service quality dimensions (responsiveness, security assurance, and perceived usefulness, loyalty towards the service, reliability and accuracy), perceived challenges and benefits were found to be statistically positive related to customer satisfaction. The study recommended that, service quality to be upheld and improved, that e-billing and payment service should continue to be easy to use with newer features imposed and updated to suite customer expectations, that e-billing and payment service benefits should be harnessed to both customers and the company. Finally the anticipated challenges should be discovered and taken as opportunities for improvement to surpass staffs and customers expectation and in turn providing competitive advantages for this and similar organizations.

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