

Determinants of Customer Satisfaction in Healthcare Services

Anas Allahham

Marketing and International Trade Department
Higher Institute of Business Administration
Syria –Damascus

ABSTRACT: The purpose of this paper is to analyze the influence of Perceived service quality, price satisfaction, perceived value on consumer satisfaction. In order to accomplish the objectives proposed, a model reflecting the influence of Perceived service quality, price satisfaction on perceived value on consumer satisfaction, the model is tested by structural equations and the final sample is 174 patients. The findings show that price satisfaction has a positive effect on consumers satisfaction, and the perceived value has a positive effect on consumer satisfaction. If healthcare institutions have to compete through consumer satisfaction, it is proven by this paper that the construct which most influences consumer satisfaction in healthcare services is the price satisfaction construct, also it is proven that if the perceived value rises, the consumer satisfaction will increase. Several studies have shown that, in general, consumer satisfaction is important to attract and retain customers; also the concept of consumer satisfaction is relatively new concept in Syrian hospitals therefore the research findings can be used by hospitals in enhancing the level of customer satisfaction.

KEY WORDS: Service Quality, Perceived Value, Satisfaction, Price Satisfaction

I. INTRODUCTION

Healthcare sector is one of the most important industries and playing a vital role in national development. In relation to the importance of education, there is a correlation between Healthcare and economic growth.

The sector of healthcare services in Syria faces more competitive market structures, therefore it becomes fundamental to analyze and study patient's satisfaction in healthcare services, as institutions of healthcare could greatly benefit from being able to increase the level of consumer satisfaction, consumer value can provide an institution with a type of competitive advantage, particularly at a positive word of mouth (File & Prince, 1992), new customers (Bolton & Drew, 1991; Mittal et al, 1999), Lowering customer defection rates (Mittal & Kamakula, 2001), financial benefits (Anderson & Mittal, 2000).

II. PREVIOUS RESEARCH

2-1. Determinants of Consumer Satisfaction:

2.1.1-Service Quality:

In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high quality services that will in turn result in satisfied customers, therefore, there is not even an iota of doubt concerning the importance of service quality as the ultimate goal of service providers throughout the world. Many studies talked about the relationship between service quality and customer satisfaction, (Fornell et al, 1996) concluded that service quality is one of the most important determinants of the American Customer Satisfaction, (Parasurman et al, 1988) show that service quality is the discrepancy between the expected service (ES) and perceived service (PS):

- (a) When $ES > PS$, perceived quality is less than satisfactory and will tend toward totally unacceptable quality, with increased discrepancy between ES and PS.
- (b) when $ES = PS$, perceived quality is satisfactory
- (c) when $ES < PS$, perceived quality is more than satisfactory and will tend toward ideal quality, with increased discrepancy between ES and PS.

This leads to H1 and H2

H1: service quality has a positive effect on consumer satisfaction.

H2: service quality has a positive effect on perceived value.

2.1.2 Price Satisfaction:

Mittal et al (2000) arrives at five dimensions of price satisfaction which are supplemented by Matzler (2004) with price fairness as a separate dimension: -Price transparency: Clear, comprehensive, current and

effortless overview about a company’s quoted prices-Price-quality ratio: Ratio or trade-off between quality of the service and monetary costs-Relative price: Price of the offer compared to that of competitors

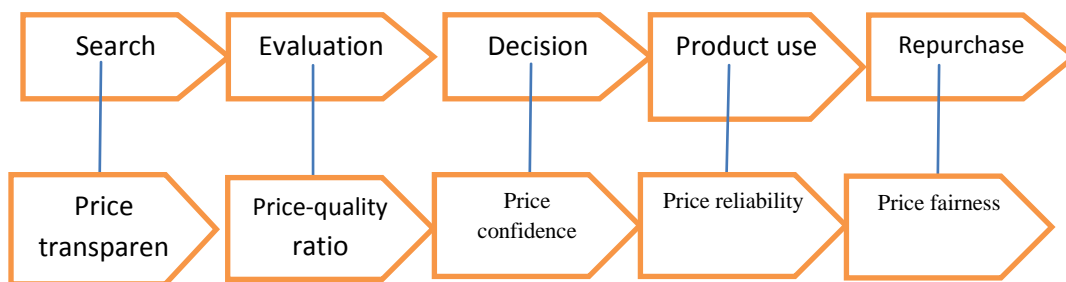
-Price confidence: Customers’ certainty that the price is favorable-Price reliability: Fulfillment of raised price expectations and prevention of negative “price surprises”-Price fairness: Consumers’ perception of whether the difference between the socially accepted price and another comparative party is reasonable, acceptable, or justifiable. Literature on relationship marketing argues that there is positive relationship between the price satisfaction and perceived value (Matzler. et al, 2005). The companies that deliver highvalue to the customers are more likely to satisfy them and to increase their loyalty (Zeithaml, 1988). Mittla (1998) refers to the different stages of consumers’ decision making Processes in order to analyze which price dimensions affect global price satisfaction within the respective stages. From the customer’s point of view, price problems will differ within the different stages (Figure 1).

That leads to H3 and H4:

H3: price satisfaction has a positive effect on consumer satisfaction.

H4: price satisfaction has a positive effect on perceived value.

Phase in decision processes



Customer needs related to pricing

Source: adapted from Mittla (1998).

2.1.3. Perceived Value:

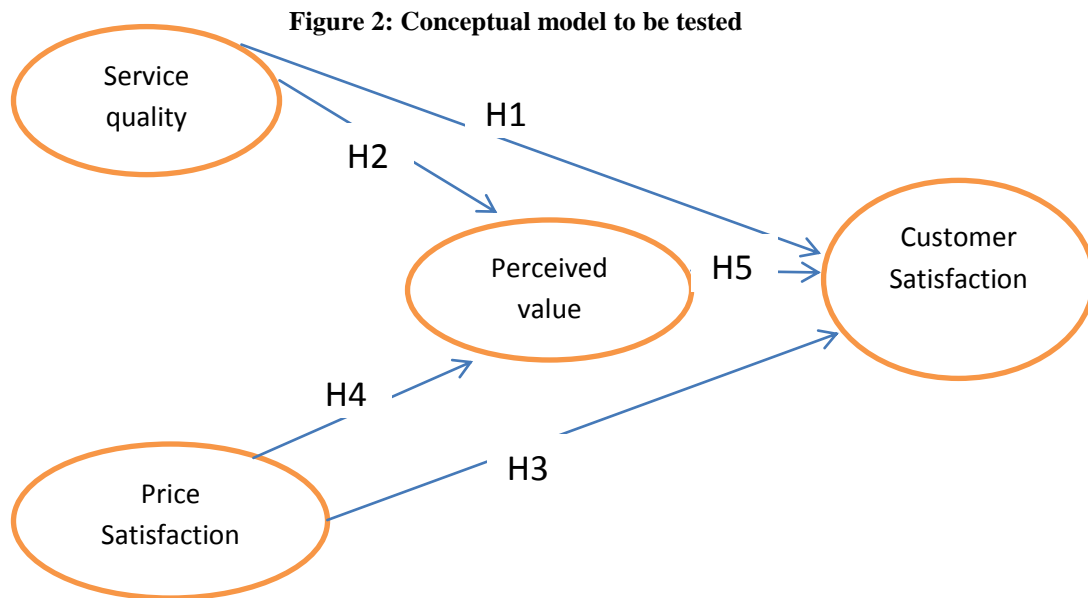
Literature on relationship marketing argues that companies that deliver higher Value to the customers is more likely to satisfy them and to increase their loyalty. Customer value can be defined as “a consumer’s overall assessment of the utility of a product based on perception of what is received and what is given” (Zeithaml, 1988), thus there is a “get” and a “give” component in the equation. While (bolton&drew, 1991) show that A customer's assessment of value depends on sacrifice (i.e., the monetary and nonmonetary costs associated with Utilizing the service), Customer characteristics, customer intention, while (Helgsen&Nesset, 2007) concluded that perceived value has a significant effect on customer satisfaction, this leads to H5:

H5: Perceived value has a positive effect on student satisfaction.

III. METHODOLOGY

3.1. The Model

The model to be tested (Figure 1) results from the hypotheses previously established and illustrates themain antecedents of satisfaction, Service quality, price satisfaction, perceived value.



3.2. Sample’s Definition

Having defined the patients as the most important customer of the health care service, in order to test the proposed model it was necessary to select a sample of patients in ALKindi hospital in Homs city in Syria. From the total number of 200 questionnaires distributed 174 were returned the response rate was about 87%, profile of respondents shown in Table (1)

3.3. Method of Data Obtainment

Given the intended objectives expected to be reached with this research, a survey using questionnaires was the chosen way for gathering data, thus, a questionnaire subdivided in 5 parts was drawn up: Sample characterization, Service quality, perceived Value, customer satisfaction, and price satisfaction. All measures used a seven-point Likert-type response format, with “strongly disagree” and “Strongly agree” as the anchors, perceived quality was measured using measurement Scale by twenty seven items adapted from (Taylor1, 2001). Price satisfaction was measured by using a measurement by twenty eight items was used by (Matzler. et al, 2005). Satisfaction was assessed by three items adapted from (Mendez, etal, 2009), perceived value measured by three item used in the study of (Alves&Raposo, 2007).

Table1: Profile of Respondents

		N	%
Gender	Male	114	65.5
	Female	160	34.4
	Total	174	100.0
Marital status	Single	48	27.7
	Married	126	72.4
	Total	174	100.0
Age	<25	32	18.4
	25-45	100	57.5
	>45	42	24.1
	Total	174	100.0
per capita income (SP)	10000-25000	100	57
	26000-40000	48	27.6
	41000-50000	16	9.2
	>50000	10	5.7
	Total	174	100.0

3.4. Analysis of Result

Following the two stage modeling strategy and after confirming the acceptability of the measurement model, there then proceeded an estimation of the structural model.

The estimated model is that shown in Figure 2. This figure details the standardized regression weights.

Figure 2: Final Model

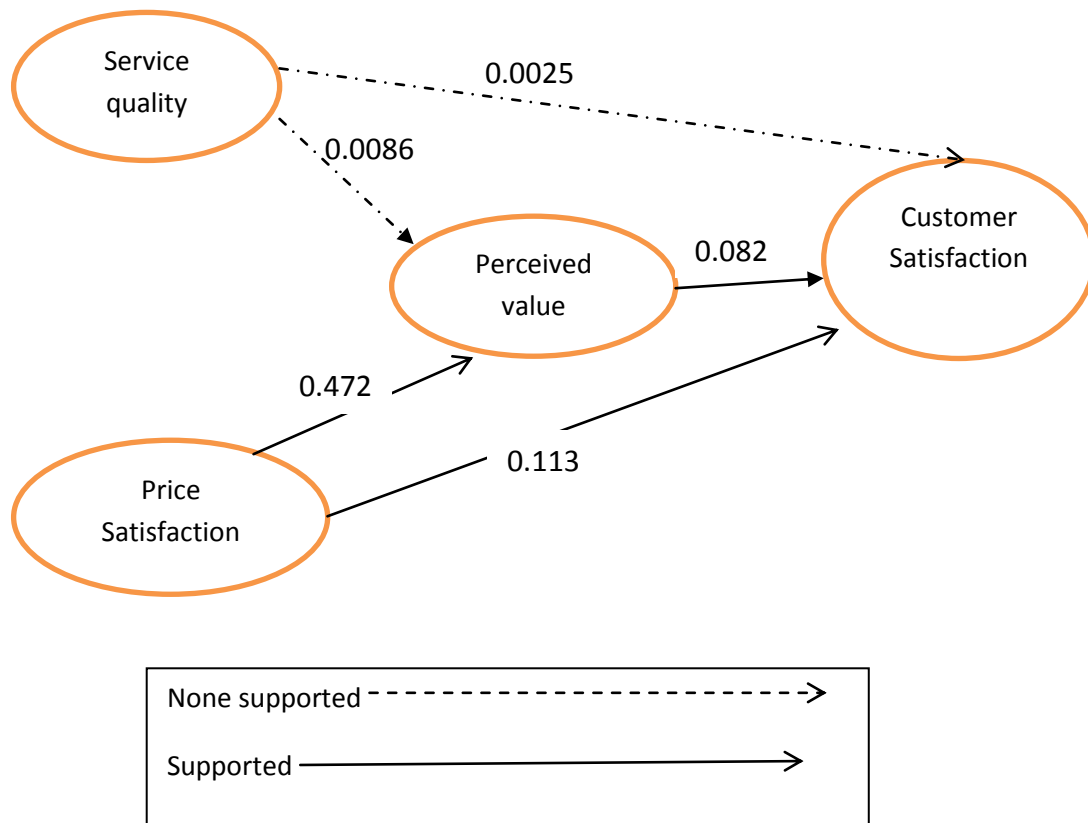


Table II presents the composed reliability of each of these constructs, that is the level of internal consistency for each construct. As can be observed, all constructs exceed the minimum reliability level of (0.6) recommended by (Mallhotra&Briks,2010).

Table II. Construct Reliability

Construct	Item number	Reliability
Service quality	27	0.88
Satisfaction	3	0.82
Perceived value	3	0.70
Price satisfaction	28	0.77

In turn, Table III presents the various structural equations, as well as the determination coefficient (R²) for each equation. From analysis of the determination coefficients of the various structural equations present in Table III, it was found that price satisfaction has a positive direct effect on satisfaction (0.113), also the price satisfaction has positive direct effect on value (0.43), table III shows that perceived value has a positive direct effect on customer satisfaction (0.082).

Table III. Model structural equation

Structural equations	R2	T	Sig	Result
Service quality → Satisfaction	0.0025	0.278	0.781	Not supported
Service quality → Perceived value	0.0086	1.261	0.105	Not supported
Price satisfaction → Satisfaction	0.113	4.486	0.001	Supported
Price satisfaction → Value	0.427	11.463	0.001	Supported
Perceived value → Satisfaction	0.082	3.81	0.01	Supported

IV. CONCLUSIONS AND IMPLICATIONS:

This study demonstrated that the construct that most influences customer satisfaction in Healthcare services that of price satisfaction this has a direct effect of 0.113, in other words if the price satisfaction of rises or falls by a unit, satisfaction increases or decreases in a proportion of 0.113.

It is possible to say that to measure and understand the price satisfaction is very important because of its influence over the customer satisfaction and loyalty formation process. If Syrian healthcare institutions have to compete through customer satisfaction, the first step to take is to measure the price satisfaction held by patients, and the second step should be to ascertain how the constructed price satisfaction is formed and how it can be modified in order to better reflect the intended image.

The results also showed that price satisfaction has a positive impact on customer satisfaction and, perceived value, This means that price satisfaction plays an important role in keeping the customers and reduce the rates of Switching, so the healthcare organization in Syria wishing to achieve competitive advantage through customer satisfaction must be focus on the determinants of patients satisfaction such as service quality by narrowing the gap between the expectations of the patients and perception.

In this way, this research contributes towards deepening the knowledge about customer satisfaction and its importance for healthcare institutions in retaining current students and attracting new customers.

V. RESEARCH LIMITATION AND FUTURE RESEARCH:

In this paper, the effect of image has not been studied as determine of customer satisfaction, so a future area must search in the role of image and other determinants such as expectation and past experience, and should extend this work to include the comparison between the level of patients satisfaction at several hospitals.

References:

- [1] -Alves, H., and Raposo, M. (2010). "The influence of university image on student behavior", *International journal of Educational Management*, Vol. 24, No. 1, pp. 73-85.
- [2] Anderson, E., Mittal, V. (2000), "Strengthening the Satisfaction-Profit Chain", *Journal of Service Research*, Vol. 3, No. 2, pp. 107-20.
- [3] -Bolton, R., Drew, H., (1991), "A longitudinal Analysis of the Impact of Service Changes on Customer Attitudes", *Journal of Marketing*, Vol.55, No.1, pp.1-10.
- [4] File, K., Prince, A. (1992), "Positive Word-of-Mouth: Customer Satisfaction and Buyer Behavior", *International Journal of Bank Marketing*, Vol. 10, No.1, pp. 25-29.
- [5] Fornell, and Others (1996), "The American Customer Satisfaction Index: Nature, Purpose, and Findings", *Journal of Marketing*, Vol.60 (October), PP: 7-18.
- [6] Helgesen, O. and Nettet, E. (2007), "Images, Satisfaction and antecedents: drivers of student loyalty? A case study of Norwegian University College", *Corporate Reputation Review*, Vol. 10, No. 1, PP. 126-143.
- [7] Mallhotra, K., Briks, D. (2010), "Marketing Research: an Applied Approach" .Milan, Italy, Prentice-Hall.
- [8] Matzler, K., Mu hlbacher, H., Altmann, A. and Leih, H. (2004), "Price satisfaction as a multi-attributive construct", *Yearbook of Marketing and Consumer Research*, Vol. 2, pp. 77-92.
- [11] Matzler, K., Hinterhuber, H.H., Daxer, C. and Huber, M. (2005), "The relationship between customer satisfaction and shareholder value", *Total Quality Management and Business Excellence*, Vol. 16 No. 5, pp. 1-10.
- [14] Mittal, V, Kamakura, W. (2001), "Satisfaction, Repurchase Intent, and Repurchase Behavior: Investigating the Moderating Effect of Customer Characteristics", *Journal of Marketing Research*, Vol. 38, No. 1, pp. 131-42.
- [15] -Mittal, V., Kumar, P., Tsiros, M. (1999), "Attribute-Level Performance, Satisfaction, and Behavioral Intentions Over Time: A Consumption System Approach", *Journal of Marketing*, Apr, 1999, Vol. 63, Issue.2, pp.88-101.
- [16] Mittal, V., Ross, W.T. and Baldasare, P.M. (1998), "The asymmetric impact of negative and positive attribute-level performance on overall satisfaction and repurchase intentions", *Journal of Marketing*, Vol. 62 No. 1, pp. 33-47.

- [19] MeNdez, J., and others. (2009) "**Determinants of Student Loyalty in Higher Education: A Tested Relationship Approach in Latin America**", *Latin American Business Review*, Vol. 10, No. 2, PP. 21-37.
- [20] Parasuraman, A., Zeitham, V., and Berry, L. (1988), "**Servqual: A Multiple – Item Scale for Measuring Consumer Perceptions of Service Quality**", *Journal of Retailing*, Vol. 64 (Spring), PP: 12-37.
- [21] Taylor, S. A. (2001). **Assessing the use of regression analysis in examining service recovery in the insurance industry: relating service quality, customer satisfaction and customer trust**. *Journal of Insurance Issues*, 24 (1/2), 30-57.
- [22] Zeithami, Valarie, A. (1988), "**Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence**", *Journal of Marketing*, 52 (3), PP.35-48.
- [23] Zeithaml, Valarie A., Berry, Leonard L. and Parasurman, A. (1996), "**The Behavioral Consequences of Service Quality**", *Journal of Marketing*, Vol. 60 (April), PP: 31-46.