

Healthcare Service Quality and word of mouth: Key drivers to achieve Patient Satisfaction

J. Rama Krishna Naik*, Dr Byram Anand**, Irfan Bashir***

This paper aims to assess the elements of the services quality in India private hospitals. The data was collected by randomly distributed questionnaire among the patients of selected private hospitals in Hyderabad, India. A total 145 completed questionnaire, out of 200, were returned. Correlation and regression analysis was used to find out the impact of Service quality and Word of mouth on patients satisfaction. The data analysis and results shown by this study was acceptable because Hyderabad's hospitals are offering improved service so that they accomplish the need of their patient. Due to limited period and time construct, this study was limited to the selected private hospitals in Hyderabad city and responses are collected from inpatients who admitted in surgical departments mentioned above. Hence, future research could focus on extending the sample collection to entire state or country. This paper contributes in the existing literature on health care industry by investigating the impact of word of mouth on patient satisfaction. To investigate the impact of word of mouth is also very vital because of the different attitude of patients observed in developing countries such as India.

Keywords: Service Quality, Satisfaction, Word of Mouth, Private Hospitals, India.

Introduction

During the past few decades service quality has become a major area of attention to practitioners, managers and researchers owing to its strong impact on business performance, lower costs, customer satisfaction, customer loyalty and profitability (Cronin & Taylor, 1992). The health care system is basically a service based industry, and customer satisfaction is as important aspect as in other service-oriented sectors. Hasin et al. (2001) describe that poor quality services in the public sector will lead to greater use of private providers. Doctor, drug, diagnosis, duration, distance, affordability, prompt service, etc. are the main factors that affect the customer satisfaction in health care industry. A healthy population is characterized by stable birth and death rates in a country, and a low occurrence of disease is important for the success of any nation (Duggirala et al., 2008). It can only be achieved; when the quality of health care that is being provided to the people is successful in the appropriate management of the disease and when it is accessible to the large majority of the population at a reasonable cost. Thus, quality of health care provided to the patients is the key objective of any nation's health system.

Traditionally, private healthcare providers are perceived to provide healthcare more efficiently and robustly (Bhatta, 2001). The difference between private and public sector organization is well documented in the literature (Zeppou and Sotirakou, 2003). These differences are largely environmental the situation in which these organizations operate. The private sector is considered more efficient

compared to public sector owing to different incentives, market orientation and a decentralized business model (Bhatta, 2001). These fundamental differences provide strategic advantages leading to private sector growth and profitability. Nevertheless, these advantages are costly. The biggest is raising customer expectation regarding service quality (SQ) provided by private healthcare institutions. The only way private healthcare providers can manage and exceed these expectations is by continuously measuring customer expectations and perception. This allows a service provider to better align it-self, to ever demanding customers, without losing them. This requires a robust and reliable instrument that captures service quality expectations and perceptions from a customer's perspective. The success of health care organizations depends upon patients' satisfaction. Health care organizations can achieve Patients' satisfaction by providing better healthcare services; keeping in view the patient's expectation and continuous improvement in the healthcare services (Zineldin, 2006).

This paper makes an attempt to assess the elements of the services quality in India private hospitals. The organization of this paper is as follows: initially after highlighting the introduction of present study. Following section provides a review of relevant literature on service quality. Next, Section presents the methodology, which is followed by data analysis & results. Lastly, discussion & findings of the study are presented.

Literature Review

In the service sector, the health care industry is growing faster

*Doctoral Research Scholars, Department of Management, Pondicherry University, Karaikal Campus, Karaikal, Puducherry

**Assistant Professor, Department of Management, Pondicherry University, Karaikal Campus, Karaikal, Puducherry

***Doctoral Research Scholars, Department of Management, Pondicherry University, Karaikal Campus, Karaikal, Puducherry

because this sector has been demonstrated by histrionic changes in the environment. Lewis and Booms (1983) defined that service quality is an evaluation of the degree to which the service provider can match the expectations of the customer. The component of service quality as conceptualized in the service marketing research area that focuses on perceived quality; it is defined as a customer's judgment related with an entity's overall quality (Zeithaml, 1987). Customer satisfaction and service quality research is dominated by SERVQUAL, which suggests that service quality is fundamentally a gap between customer expectations regarding a service provider's general class and their estimation of its actual performance (Cronin and Taylor, 1992; Parasuraman et al., 1991a). Patient satisfaction represents an important aspect in quality of health care. One of the main concerns of any health care units is to achieve a high level of patient satisfaction by providing a better quality service. Customer satisfaction represents a profitable competitive strategy because the public is likely to pay more to quality institutions who are willing to satisfy customers' needs in a better way.

Word of mouth is the oral, non-commercial communication between a receiver and a communicator about a brand, a product or a service offered for sale (Arndt, 1967). Word of mouth represents the client's willingness to recommend the product and service to others in the near future (Dabholkar et al., 1995). It can present verbal communications between present customers and other people or other parties (Helm and Schlei, 1998). Word of mouth is very important factor when facing complex situations and experiencing risks by consumers. Silverman (1997) mentioned that besides the input to the potential customers about selling a product or service, Word of mouth is also the output after buying of customers.

Word of mouth seems particularly important to the marketing of services. Consumers have been found to rely on Word of mouth to reduce the level of perceived risk and the uncertainties that are often associated with service purchase decisions (Murray, 1991). Compared to purchasers of goods, Murray (1991) found that service purchasers have greater confidence in personal sources of information as well as a greater pre-purchase preference for personal information sources. He also found that personal sources have a greater influence on purchasers of services than on purchasers of products.

Research conducted by Herr *et al.* (1991) supports the idea that word of mouth is accessible. They found that Word of mouth had a greater impact on product judgments than printed information. Favorable brand attitudes were formed on the basis of a single, favorable word of mouth communication, even when extensive, diagnostic attribute information was also available. The authors suggest that the impact of word of mouth on product judgments is attributable to its intensity, as opposed to pallidness, as a form of communication. Vividness refers to the degree to which

information is "(a) emotionally interesting, (b) concrete and imagery-provoking, and (c) proximate in a sensory, temporal, or spatial way" (Nisbett and Ross, 1980). Vivid communication media are believed to attract attention to the information, hold attention, and increase the information's accessibility from memory and its impact on consumer judgment (Herr *et al.*, 1991; Nisbett and Ross, 1980). Williams and Hense (1991) noted that the importance of word of mouth communication is rising in the health care industry year by year. Hence, word of mouth has a significant influence on customers' attitudes and behavior (Brown and Reingen, 1987), this kind of communication will strongly affect both short-term and long-term opinions of customers (Bone, 1995).

In the healthcare industry, most service providers offer similar services, but often with varying levels of quality service. Most health care organizations are multi-product or multi-service, offering a range of services including laboratory tests, elective surgery, transplants, but also support services like admission formalities and patient transport. Rational consumers will go to the service provider that they perceive to provide good quality service with the best value (Youssef et al., 1996). The reasons why private hospitals are able to provide quality service in order to satisfy their patient included limited or no patient waiting for service delivery and good standard of care and comfortable provisions when admission is warranted.

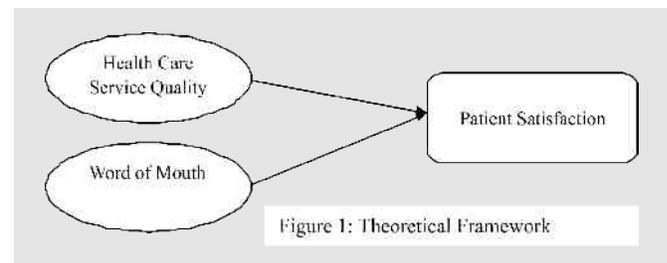


Figure 1: Theoretical Framework

Hypotheses

H1: Higher level of health care services quality is associated with the higher level of patient satisfaction (Figure-1).

H2: Positive word of mouth influence the higher level of patient satisfaction (Figure-1)

Research Methodology

Data source and Sample:

The study population consisted of the patients who came for treatment to the private hospitals in Hyderabad. A total of five super-specialty private hospitals were selected in Hyderabad city for collecting data. These hospitals were selected as they offer specialty services such as surgical care for cardiovascular, respiratory, urinary, and ophthalmology diseases.

The questionnaire was distributed to approximately 200 in-patients who were admitted to these hospitals and had stayed

for more than 2 days in the hospital. Out of 200 distributed questionnaires 145 completed questionnaires were returned, resulting in 72.5 percent response rate.

Instrument used in this study:

The current study is descriptive cross-sectional study which used a questionnaire that consisted of 24 closed-ended questions and specific questions on background characteristics (gender, age, marital status, education, income, and waiting time for appointment) for data collection. The questionnaire is divided into six dimensions of tertiary care services. To measure health care service quality attributes, we referred sixteen items from the well-known SERVQUAL instrument developed by Parasuraman et al. (1985, 1988) and widely used in subsequent studies across different countries (Babakus and Mangold (1992) in the USA, Sohail (2003). To measure word of mouth, four items were used. Little modification was made so that the respondent can easily understand. Patient satisfaction was measured through four items adopted from Kavanaugh et al. (2006)'s study.

The questionnaire used a modified five-point Likert scale (Excellent, very good, good, fair and poor) as choices of answer. The questionnaire was translated into Telugu (local language) and translated back into English by an independent professional to check the validity. Prior to the actual administration, the questionnaire was piloted in a small group

of patients to validate the language, content and flow of information aimed at “appropriate” rapport to make necessary changes.

Statistical technique:

Descriptive statistics (like frequency distribution and mean) is used to analyze the characteristics of sample. Exploratory factor analysis is used to identify the underlying factors and Cronbach's alpha is used to measure the internal consistency of the scale, followed by regression analysis and correlation was done.

Data Analysis

Distributions of the demographic characteristics of respondents are presented in **Table-1**. Out of 145 respondents 104 (71.7%) are male gender 29 percent (41) and majority (48.9%) of the respondents were 25-35 years old. While majority of the patients were married 60.6 percent (88) and single patients constituted 39.4 percent (52) of the total sample. 24.8 percent (36) of respondents had qualification up to intermediate level, and 11.7 percent (17) patients were illiterate. In terms of monthly income, 36.5 percent (53) had monthly income between 1 –20,000 (in INR), and 32.4 percent (47) of the sample had income between 20,000 – 40,000, while the high income group constituted only 8.2 percent (12).

Table 1. Respondents' demographic profile

Characteristic	Frequency(n)	%	Mean	Std. deviation
Gender				
Male	104	71.7	3.48	0.508
Female	41	29.3	3.01	0.668
Age				
Less than 25	52	35.8	3.08	0.590
25-35	71	48.9	3.29	0.596
Above 35	22	15.3	3.42	0.428
Marital Status				
Married	88	60.6	3.32	0.408
Unmarried	52	39.4	3.08	0.590
Payment paid by respondent				
Personnel	96	66.2	3.36	0.493
Company Contract	49	33.7	3.89	0.621
Education Level				
Illiterate	17	11.7	3.34	0.396
1-10 th Class	29	20.0	3.02	0.421
Higher Secondary	36	24.8	3.06	0.524
Undergraduate	42	28.9	3.19	0.642
Postgraduate	21	14.4	3.68	0.426
Income level				
Less than 20,000	53	36.5	3.36	0.592
20,000-40,000	47	32.4	3.89	0.604
40,000-60,000	23	15.8	3.58	0.586
60,000-80,000	12	8.2	3.22	0.382

Reliability analysis

Each variable was assessed for reliability using coefficient. Nunnally, describe that the reliability coefficients always

exceeded the value of 0.7 recommended cited by Andaleeb (2001). A summary of reliability achieved with the scales during the study, was used to measure the dependent and independent variables as shown in Table 2.

Table 2. Reliability analysis.

Total Variance Explained	No of Items	Cronbach's Alpha
Patient Satisfaction	4	0.727
Health care service Quality	16	0.712
Word of Mouth	4	0.642

The correlation matrix (Table 3) indicates that services quality is positively and significantly correlated with patient satisfaction in health care industry (0.459**), ** $p < 0.01$. Trust is positively and significantly correlated with patient

satisfaction in health care industry (0.439**), ** $p < 0.01$. Word of mouth is positive but does not significantly correlate with patient satisfaction in health care industry (0.077, $p < 0.01$).

Table 3: Correlations between patient satisfactions, word of mouth and healthcare service quality.

	Patient satisfaction	
Service quality	Pearson correlation	0.459**
	Sig. (2-tailed)	0.000
	N	145
Word of Mouth	Pearson correlation	0.439
	Sig. (2-tailed)	0.000
	N	145

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

Based on the literature review and hypothesis, regression analysis was observed to be an appropriate test for the analysis of data. The results are presented in table 4. The full model was significant with an overall F value of 23.86 ($p < 0.05$), which explained 27% of the variation in the dependent variable as indicated by the adjusted R^2 value. Based on the regression analysis, one hypothesis was accepted out of the two. The directions of the relationships were as hypothesized. Discipline, as service quality, had the greatest impact on customer satisfaction as indicated by the standardized beta values. The result shows that customer perceived that service

quality is associated with the higher level of patient satisfaction ($t = 4.431$, $p < 0.05$). Word of mouth, which is also significant, had the least impact on patient satisfaction. Although this finding may seem to be surprising, a little reflection suggests that it makes sense. Word of mouth does satisfy customer satisfaction; however, as a necessary evil it perhaps has only nuisance value. In other words, Word of mouth is marginally important to patients for whom a disciplined setting, service quality and trust are of greater importance. Furthermore, it was found that positive word of mouth does not influence the patient satisfaction ($t = 1.284$, $p > 0.05$).

Table4: Regression Analysis

Independent variable	Beta	t-value	p-value
Service Quality	0.316	4.431	0.000
Word of Mouth	0.081	1.284	0.281

n = 145; R Square = 0.282; Adjusted R Square = 0.270; F = 23.863; Significant F = 0.000; Dependent Variable = Patient satisfaction.

Discussion of Results

Based on the results in Table 4, it was found that patients' satisfaction is influenced by the service quality provided by the hospital industry. The findings of this research are not in line with that of Arasli et al. (2008), who argued that private hospital patients were more satisfied with service quality than their counterparts in Northern Cyprus public hospitals. However, Indian patients are also perceived same as developed countries, i.e. private hospitals to be superior in the quality of their service provision. Our findings have important implications on private hospital owners, government officials, academics and other related parties in the Indian health services. Indian hospitals do experience a number of complex problems. Hospital managers should be devoted in delivering superior quality service in order to achieve the patient satisfaction (Arasli and Ahmadeva, 2004). Hospital managers should also assure job satisfaction to their employees in order to induce customer satisfaction and loyalty (Rust et al., 1996). Most customers are shy to make their needs and expectations open, including their complaints. Although health care sector provided opportunity to do so in order to promote and create a healthy environment.

Conclusion and limitations

This paper aims to assess the elements of the services quality in India private hospitals. In healthcare services marketing, it is necessary to be competitive and to give quality healthcare services to consumer, because patients' satisfaction is the most important factor in positioning of healthcare institutions. Satisfaction of patients is key point in healthcare organizations, because their satisfaction is real measure of healthcare institutions, healthcare processes, communication with patients, and measure of branding institutions in patients' mind, which is base for promotion. This study contributes to assess the elements of the services quality in India private hospitals. This study was limited to the selected private hospitals in Hyderabad city and responses are collected from inpatients who admitted in surgical departments mentioned above. Hence, future research could focus on extending the sample collection to entire state or country. This paper contributes in the existing literature on health care industry by investing the impact of word of mouth on patient satisfaction. To investigate the impact of word of mouth is also very vital

because of the different attitude of patients observed in developing countries such as India.

Implications for Practitioners:

Indian healthcare system allows mixed functioning of public and private health facilities, which raises a concern about the quality of care being delivered in these hospitals. The findings of this study are of practical importance to health managers to look into the major areas of concern, which could result in substantial improvements in the provision of patient or client-friendly services. The findings will also help the managers to compare the situation in their facility with those of others. The findings of the study are therefore informative for the private hospitals to implement strategies that effectively create the platform and incentives that reinforce the culture of good quality service. The hospitals should constantly conduct workshops and training programmes for employees to train them on interpersonal skills and relationship building which will ultimately lead to delighted consumers. The private hospitals should work to improve the ability of their employee particularly health professional to win the interest of the patients and to have a physical structure that better fits the expenditure of the patients as indicated by the identified determinants of patient satisfaction in current study.

References

- Andaleeb, S. S. (2001). Service quality perceptions and patient satisfaction: a study of hospitals in a developing country. *Journal of Social Science & Medicine*, Vol. 52, pp. 1359-1370.
- Andaleeb, S. S. (1998). Determinants of customer satisfaction with hospitals: a managerial model. *International Journal of Health Care Quality Assurance*. Vol. 11 No. 6, pp. 181-187.
- Arasli, H. and Ahmadeva, L. (2004). No more tears! A local TQM formula for health promotion. *International Journal of Health Care Quality Assurance*. Vol. 17 No.3, pp. 135-45.
- Arasli, H., Ekiz, E. H. and Katircioglu, S. T. (2008). Gearing service quality into public and private hospitals in small islands: Empirical evidence from Cyprus. *International Journal of Health Care Quality Assurance*. Vol.21, No.1,

- pp. 8-23.
- Arndt, J. (1967). Word of Mouth Advertising and Informal Communication. In D. F. Cox (Ed.), *Risk-taking and information-handling in consumer behavior*. Boston: Harvard Business University Press, pp. 188-239.
- Babakus, E. and Mangold, W.G. (1992). Adapting the SERVQUAL scale to hospital services: an empirical investigation. *Health Services Research*. Vol. 26 No. 6, pp. 767-88.
- Bhatta, G. (2001). Corporate governance and public management in post-crises Asia. *Asian Journal of Public Administration*. Vol. 23 No. 1. pp. 1-32.
- Bone, P.F. (1995). Word-of-mouth effects on short-term and long-term product judgments. *Journal of Business Research*. Vol. 32 No.3, pp.213-23.
- Brown, J. J. & Reingen, P. H. (1987). Social Ties and Word-of-Mouth Referral Behavior. *Journal of Consumer Research*, Vol. 14, 350-362.
- Cronin, J. and Taylor, A. (1992). Measuring service quality: a re-examination and extension. *Journal of Marketing*, Vol. 56, pp. 55-68.
- Dabholkar, P., Thorpe, D. I. & Rentz, J. Q. (1995). *A measure of service quality for retail stores*. *Journal of the Academy of Marketing Science*, Vol.24 No.1, pp. 3-16.
- Duggirala, M., Rajendran. C. and Anantharaman, R. N. (2008). Patient perceived dimensions of total quality service in healthcare. *An International Journal of Healthcare*. Vol.15 No.5, pp. 560-583.
- Hasin, M. A. A., Seelungsawat, R. and Shareef, M. A. (2001). Statistical measures of customer satisfaction for health care quality assurance: a case study. *International Journal of Health Care Quality Assurance*. Vol.14 No.1, pp. 6-13.
- Helm, S. & Schlei, J. (1998). Referral potential – potential referrals. An investigation into customers' communication in service markets. *Track 1 – Market Relationships*. Proceedings 27th EMAC Conference. *Marketing Research and Practice*, pp. 41-56.
- Herr, P.M., Kardes, F.R., Kim, J. (1991). Effects of word-of-mouth and product-attribute information on persuasion: an accessibility-diagnostics perspective. *Journal of Consumer Research*, Vol. 17 No.4, pp.454-62.
- Joe Kavanaugh J, Duffy JA, Lilly J (2006). The relationship between jobsatisfaction and demographic variables for healthcare professionals. *Management Research*. Vol. 29 No. 6. pp. 304-325.
- Lewis, R. C. & Booms, B. H. (1983). The marketing aspects of service quality. Quoted in: L. Berry et al. *emerging perspectives on service marketing*. New York: American Marketing Association. *Journal of Public Administration*, Vol. 23 No. 1, pp. 1-32.
- Murray, K.B. (1991), "A test of services marketing theory: consumer information acquisition activities", *Journal of Marketing*, Vol. 55 No.1, pp.10-25.
- Nisbett, R., Ross, L. (1980), *Human Inference: Strategies and Shortcomings of Social Judgment*, Prentice-Hall, Englewood Cliffs, NJ.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985), "A conceptual model of service quality and its implications for future research", *Journal of Marketing*, Vol. 49, pp. 41-50.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1988), "SERVQUAL: a multiple item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, Vol. 64 No. 1, pp. 12-40.
- Rust, R. T., Stewart, G. L., Miller, H. and Pielack, D. (1996). The satisfaction and retention of frontline employees: a customer satisfaction approach. *International Journal Service Industry Manage*. Vol. 7 No.5, pp. 62-80.
- Silverman, G. (1997). How to harness the awesome power of word of mouth. *Direct Marketing*, Vol. 60 No.7. pp. 32-37.
- Sohail, S. (2003), "Service quality in hospitals: more favorable than you might think", *Managing Service Quality*, Vol.13 No. 3. pp. 197-206.
- Stafford, J.E. (1966), "Effects of group influence on consumer brand preferences", *Journal of Marketing Research*. Vol. 3. pp.68-75.
- Williams, J. R. & Hensel, P. J. (1991). Changes in Physicians' Sources of Pharmaceutical Information: A Review and Analysis. *Journal of Health Care Marketing*, Vol.11 No.3. pp. 46-60.
- Youssef FN, Nel, D Bovaird T (1996). Health care quality in NHS hospitals. *Int. J. Health Care Quality Assurance*, Vol. 9 No.1. pp. 15-28.
- Zeithaml, V. A. (1987). *Defining and Relating Price, Perceived Quality, and Perceived Value*. Report No. 87-101, Cambridge, MA: Marketing Science Institute.
- Zeppou, M. and Sotirakou, T. (2003), "The STAIR model: a comprehensive approach for managing and measuring government performance in the postmodern era", *International Journal of Public Sector Management*, Vol. 16, pp. 320-2.
- Zineldin, M. (2006). The quality of health care and patient satisfaction. An exploratory investigation of the 5Qs model at some Egyptian and Jordanian medical clinics. *International Journal of Health Care Quality Assurance*, 19(1), 60-92.