PATIENTS’ BEHAVIOURAL INTENTIONS AND THE INFLUENCE OF SERVICE QUALITY PERCEPTIONS AND CUSTOMER SATISFACTION IN THE ALBANIAN HEALTHCARE INDUSTRY

ABSTRACT
The primary objective of this study was to measure patients’ perceptions of service quality and customer satisfaction with a private hospital experience and to estimate the effect that each of these constructs will have on future behavioural intentions. More specifically, the present study was an attempt to assess empirically the most important dimensions of service quality and transaction-specific customer satisfaction dimensions that drive both patient loyalty and ‘overall’ or cumulative satisfaction in the Albania private hospital industry.

For the purpose of this study, buying intentions was used as a surrogate measure of loyalty as measured by willingness to reuse the hospital and/or willingness to recommend it to others (word-of-mouth endorsements). Initial exploratory research was conducted with the aim of assessing the views of three private hospital stakeholder groups, namely former patients, doctors and management about what the quality of service and customer satisfaction meant to each individual interviewed.

The study was conducted nationally at private hospitals owned by one of Albania’s three major hospital groups. Five private hospitals in capital of Albania, Tirana were selected on a non-probability convenience basis to participate in the study. The hospital group’s senior management and the management at each selected hospital gave their full commitment to ensure that the survey was successfully conducted in their hospital wards.

Data were collected by means of a quantitative study using a self-administered, structured questionnaire. Patients had to meet certain qualifying criteria which included being of adult age, in the hospital for an operation and at least one overnight stay. A total of 300 questionnaires was distributed to patients on a random basis in selected wards at the five hospitals by senior hospital staff designated for this task. From this distribution, 285 questionnaires were returned of which a final sample of 300 could be statistically analysed.

KEYWORDS: Service quality, Customer satisfaction, ‘Overall’ cumulative satisfaction, Loyalty, Buying intentions, repurchase, Private hospitals, Albania

1. INTRODUCTION
Healthcare today has become a competitive industry, not only locally, but on a global level as well. In the Albanian economy the healthcare sector presently offers healthcare seekers two options to satisfy their healthcare needs – either through private business enterprises in the private sector or public enterprises in the public sector. Likewise, in the healthcare sector’s hospital environment, patients can receive treatment from either private or public hospitals.

As private business enterprises offering a relatively ‘pure’, but generally unsought-after service, private hospitals compete aggressively to attract patients. Patients are a hospital’s lifeblood and they rightfully expect a high standard of customer service throughout the stay. With today’s consumers being better informed, more sophisticated and more demanding than in the past, experts agree that the key to survival in the service industry today, almost without exception, is the quality of the service. The cornerstone of the service industry is without doubt the ability to deliver
superior service quality that results in customer satisfaction. And the healthcare industry is no exception.

Most consumers will experience a need for healthcare services at some time in their lives, but in Albania, escalating medical costs in general and private hospitals in particular, have made private healthcare increasingly more expensive for the majority of the country’s healthcare seekers. This situation raises the question of customer service in the private hospital industry and how patients’ perceive service quality and evaluate customer satisfaction after a hospital stay.

There studies shows that service quality and customer (patient) satisfaction positively influence patients’ behavioural intentions to reuse the hospital or recommend it to others (word-of-mouth endorsements). However, in Albania, empirical studies to investigate these relationships have not been adequately addressed. This study was therefore an attempt to address the lack of scientific evidence and debate in the area of patient satisfaction.

2. RESEARCH DESIGN AND METHODOLOGY

A study of this nature is comprised of two components, namely primary data and secondary data, the collection of which are undertaken in order to adequately address the research objectives. Primary data are original data collected specifically for the purpose of solving the current research problem (Hair, Babin, Money & Samouel 2003:72; Van Wyk 1996:99).

Secondary data, on the other hand, are existing data that have already been collected for previous research purposes, but may be used to help solve the research problem at hand (Hair et al. 2003:72; Van Wyk 1996:99). In order to realise the objectives of the study and test empirically the hypotheses that had been formulated for this purpose, the primary and secondary research will form the two main sources of data.

Secondary sources of data
A comprehensive literature search was undertaken to collect sufficient information on the influence of the two constructs, namely service quality and customer satisfaction and their influence on future behavioural intentions in the same service industry. The search was initially widened to include generic topics in the general service literature, but subsequently narrowed to the healthcare industry and as far as possible, to patients in private, or at least for-profit hospitals.

An overlap with other healthcare providers or public hospitals was unavoidable during the literature search and the information generated was not included in the study unless mentioning it was absolutely necessary.

Publications covering academic report writing were consulted as well. Anecdotal literature such as the domain of customer service, customer relationships, branding, selected stories of successful business leaders and managing for the future were also consulted.

Primary sources of data
Preceding the empirical study to test the theoretical model, information was solicited from three groups of stakeholders primarily to gauge the feelings of different role players regarding their perceptions and opinions of the patient as a customer and their understanding of the concepts quality service and customer satisfaction. Two of the groups were hospital management and medical practitioners and some of these individuals also evaluated the preliminary questionnaire. Feedback offered by these individuals was incorporated into finalising the research problem and questionnaire design.

In addition to the informal discussions with all three stakeholder groups, pre-testing of the questionnaire was carried out on the third group, a small number of former, but recent, private hospital patients to determine whether any difficulties existed in understanding the wording of the questionnaire, or in the design itself. No major difficulties were found. The pre-test also estimated that the length of time required to complete the questionnaire took approximately 10-15 minutes.

Once the recommendations and minor adjustments from the pre-test had been made, the questionnaire was ready for the next phase of the primary research process, namely finalisation.

The sample
Five hospitals were selected on a non-probability convenience basis to participate in the study. Each of the five hospital managers served as the main contact person together with the assurance that designated senior staff would take responsibility for the distribution of questionnaires in the relevant wards. Each hospital manager provided suitable dates when the hospitals could be visited to brief staff. Also, it was important that the survey did not lose momentum, as questionnaire distribution had to be spread over several weeks. Weekly telephone calls to monitor progress and offer encouragement were made to each contact person who had been nominated to handle the distribution in the wards.

Respondents first had to meet certain qualifying criteria, after which questionnaires were distributed to patients on a random basis in selected wards at the participating hospitals. This was done just prior to discharge.

Once the self-administered questionnaire had been completed, it had to be mailed back to the addressee. The package included an outer envelope, covering letter (including incentive-to-respond details), A5 questionnaire booklet.
and reply-paid envelope. From a total distribution of 300 questionnaires, 275 were returned of which 223 could be statistically analysed. Because anonymity of respondents was guaranteed, it was not possible to carry out any telephonic follow-ups to obtain missing data.

The measuring instrument

The measuring instrument consisted of an eight page self-administered, structured questionnaire divided into three sections which totalled 117, statements in all, including biographical data. It was printed as an A5 booklet. Ten dimensions of service quality related to the patient’s hospital visit were measured using 54 items (statements). For the purpose of this study, the original ten dimensions of service quality conceptualised by Parasuraman, Zeithaml and Berry (1985) rather than its subsequent reduction to five dimensions (Parasuraman et al. 1988) were utilised on account of their being a stronger predictor of customer satisfaction (Green & Boshoff 2002:4).

On the other hand, the 48 items (statements) used to measure customer satisfaction were based on a thorough literature review (Bowers et al. 1994; Fisk et al. 1990; John 1991, 1992; Jun, Peterson & Zsidisin 1998; Reidenbach & Sandifer-Smallwood 1990; Taylor & Cronin 1994; Woodside et al. 1989; Zimmerman et al. 1996). The exploratory research that was mentioned in section 1.6.2 and in-depth interviews conducted with some individuals who had been recent private hospital patients at the time of questionnaire design were also included.

Because of the dilemma of not being able to refer to customer loyalty in the private hospital industry in the same manner as, for instance, in the retail industry like the grocery store or the bank, future behavioural intentions of patients, namely buying intentions were used as a surrogate measure for loyalty (Shaw-Ching, Furrer & Sudhirshan 2001). Five items (statements) were used to measure loyalty, that is willingness to reuse the hospital or recommend it to others.

The 102 items used to measure service quality and customer satisfaction were linked to a 7-point Likert scale, ranging from strongly agree (7) to strongly disagree (1). Overall cumulative satisfaction was measured using three semantic differential-scaled items (statements) containing bipolar ‘satisfaction’ adjectives to describe the hospital experience.

The survey was only partly a mail survey on account of the questionnaires being distributed by hand to qualifying patients in various wards. Using the reply-paid envelope, respondents were then required to mail back the completed questionnaires.

The data were subjected to an exploratory factor analysis in order to identify the underlying relationships and create a clear factor structure. Cronbach alpha coefficients for each set of factors were calculated to confirm the reliability of the measuring instrument. This was followed by regression analysis to measure the strength of the relationships between the service quality and customer satisfaction dimensions (the independent variables) and ‘overall’ cumulative satisfaction and loyalty (the two dependent variables).

Service quality

Service quality arose out of the need for a concept which described how customers perceived the quality of a service, with particular reference to the service industry. It was believed that once the service provider knew how customers evaluated the quality of its service, it would be in a better position to not only influence these evaluations in a desired direction, but also to relate the service to customer benefits.

In this study, the concept of service quality is based on the early work of Parasuraman et al. (1985, 1988), and refers to the customer’s judgement of the overall excellence or superiority of the service. It is distinct from customer satisfaction in that service quality is a global judgement, formed over a period of time, but nonetheless related to satisfaction since the outcome of incidents of satisfaction over time give rise to service quality perceptions.

The perception of service quality by consumers refers to a comparison of customer expectations of a particular service provider with customer perceptions of its actual performance. Furthermore, that only the customer can be the judge of service quality, irrespective of the service provider.

Previous research found that customers used the same general criteria to arrive at an evaluative judgement about service quality, regardless of the type of service. The multiple-item scale to measure consumer perceptions of service quality, SERVQUAL, was the result of initial research that reduced the dimensions of service quality to just five dimensions. The ten original dimensions first proposed by Parasuraman et al. (1985) were named tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer and access.

The five dimensions that remained after the reduction were similarly named tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al. 1985, 1988).

However, several problems and criticisms of SERVQUAL experienced in later studies determined that the original version of SERVQUAL, which measures the ten dimensions of service quality outlined above, would be used in the present study. A further reason not to use the reduced five dimensions was that the original ten dimensions of service quality are a stronger predictor of customer satisfaction.
Customer satisfaction

Unlike the global judgement of service quality arrived at over a period of time, customer satisfaction is transaction-specific, that is, it is the outcome resulting from a particular consumption experience, such as a hospital visit.

In addition, customer satisfaction is viewed as uniquely personal, in other words, satisfaction stems from the interaction of perceptual interpretations of the service and customer expectations of that service. This will result in different consumers having varying levels of satisfaction for an experience, which is essentially the same in delivery. The transaction-specific dimensions of customer satisfaction to be empirically tested in this study.

The dynamics that combine to create the service experience – perceptual, evaluative and psychological processes and the unique characteristics of services – suggest that customer satisfaction of a service encounter is more complex than satisfaction after consumption of a physical product.

Multiple encounters with the same service provider will result in multiple experiences for the customer, which over time, will lead to an overall level of satisfaction. In the present study, both transaction-specific customer satisfaction at the attribute level and ‘overall’ cumulative customer satisfaction of the hospital stay will be measured.

Loyalty

Two aspects related to the private hospital/patient relationship need to be considered when attempting to predict patient loyalty. Firstly, since it is often the referring doctor who makes the choice of hospital, or at least strongly influences the choice, loyalty to a particular hospital in the private healthcare environment was considered more difficult to measure than the alternative of willingness to reuse the same hospital again in the future or recommend it to others. And secondly, to have to go into hospital is not normally a sought-after service and in many cases, may not occur too frequently. Nonetheless, even a single encounter with a service provider includes elements by which a loyal relationship can be built (Grönroos 2000:7). Keeping customers loyal is not an easy task (Grönroos 2000:34), yet many hospitals today are increasingly finding profitable opportunities to establish and build loyal relationships with their patients (Schiffman & Kanuk 1994:591-597). In fact, relationships with customers are central to loyalty and loyal customers are normally, but not always, profitable customers (Grönroos 2000:7,131).

Thus, the importance of customer loyalty, and in this case, patient loyalty, can hardly be overstated. Consumer loyalty has even been described as the marketplace currency for the 21st Century (Singh & Sirdeshmukh 2000:150).

Definitions of customer loyalty point to probability of repurchase to proportion of purchase (Sivadas & Baker-Prewitt 2000:79). Customer loyalty is typically viewed as having a positive propensity toward a certain store or brand on the one hand (East, Hammond, Harris & Lomax 2000:308), and both a cognitive construct (attitude) and shopping behavior on the other (Dick & Basu 1994; Mel-lens, Dekimpe & Steenkamp 1996).

Because customer loyalty to a particular hospital is likely to differ from other service providers or even brand or store loyalty in a retail context, future behavioural (buying) intentions were used to measure loyalty in this study. In particular, willingness to reuse the same hospital in the future or recommend it to others was taken into account.

Thus, for the purpose of this study, customer loyalty will refer to two specific repeat purchase behaviours, a private hospital patient’s willingness to reuse the same hospital again in the future (should the need arise), or recommend it to others (positive word-of-mouth endorsements).

Regardless of the service industry in question, studies have shown that customer loyalty increases profitability (Heskett, Sasser & Schlesinger 1997; Reichheld 1996); it serves as a barrier to entry for competitors (Aaker 1991) and is a key determinant in predicting market share (Baldinger & Rubinson 1997; Jacoby & Chestnut 1978).

Marketing implications for private hospitals

According to Zeithaml and Bitner (1996:21), because services are often produced and consumed at the same time, mass production is difficult if not impossible. Moreover, the authors believe that the quality of service and customer satisfaction will be highly dependent on what happens in ‘real time’. This must be true for the private hospital environment. While surgical procedures for carrying out certain operations might be similar (caesarean section, hernia or heart bypass), no two patients are alike in their conditions for which they sought diagnosis, treatment and in due course, a return to good health, in the first place. This outcome will result from the production process between service provider (private hospital) and customer (patient).

In the view of Grönroos (1990:29) it is the visible part of the production activities of the service that matters in the mind of the customer and it is these visible activities that are experienced and evaluated in every detail. For the patient in the hospital, the visible aspect of the service production is particularly relevant. For example, how would the postsurgical removal of tubes, apparatus, sutures, dressings and the like, matter to the patient? The patient is normally awake for these necessary, but sometimes unpleasant, procedures if done by rough hands and which are both felt and evaluated by the patient.

REGRESSION ANALYSIS RESULTS

The multivariate statistical technique, multiple linear regression analysis, or regression analysis for short, was per-
formed to assess the strength of the relationship between the dependent (criterion) variables and two sets of independent (predictor) variables. Firstly, regression analysis was performed to predict the influence of the service quality and customer satisfaction dimensions (the independent variables) on loyalty and ‘overall’ cumulative customer satisfaction (the dependent variables). And secondly, regression analysis was performed to determine the statistical significance of the independent variables on loyalty and ‘overall’ cumulative customer satisfaction.

The results of the regression analysis on the four hypotheses of the present study are presented in this section. From these results, the t-value (also t-statistic) is a measure of the statistical significance of an independent variable in explaining the dependent variable (Levine, Stephan, Krehbiel & Bereson 2005:525). Leamer (1999:2) indicates that in regression analysis, for each independent variable, three sets of numbers, namely an estimated coefficient (beta), a standard error and a t-value are calculated, but it is the t-value that can be compared across all the independent variables. The t-value is merely the estimated coefficient (beta) divided by the standard error (Leamer 1999:6) and measures how many standard errors the coefficient is away from zero (Levine et al. 2005:525). Levine et al. (2005:525) suggest that any t-value greater than +2 or less than -2 is generally acceptable. Alternatively however, Leamer (1999:6) argues that in certain situations, the choice of number as the t-value is entirely a matter of choice. The author suggests that while a large t-value implies a strong inference, ‘large’ should be compared with the other independent variables in the equation. Levine et al. (2005:526) point out that the higher the t-value, the greater the confidence a researcher can have in the coefficient as a predictor on the dependent variable, while low t-values are indications of low reliability of predictive power of the coefficient in question.

**Service quality and loyalty** In this section, the following hypothesis was considered:

H1: There is a positive relationship between perceived service quality at the dimensional level (ten dimensions) and loyalty, as measured by patients’ willingness to reuse the same hospital in the future or recommend it to others (buying intentions).

Multiple regression results shows the impact of the seven service quality dimensions (the independent variables) on loyalty (the dependent variable). It shows that four of the seven service quality dimensions influence the dependent variable Loyalty, namely Empathy of nursing staff (t-value 5.81 p<.001), Tangibles (t-value 2.97 p<.01), Assurance (t-value 4.01 p<.001) and Security (t-value -2.15 p<0.05).

Having determined statistical significance (F-value = 63.56; probability level = 0.0001), the next step is to evaluate the R² to determine if it is large enough. It can be seen that the R² of 58.5% reveals that the modelled independent variables explain 58.5% of the variation in the dependent variable.

The direction of the relationship between service quality and loyalty is positive for three independent variables and negative for one variable. Empathy of nursing staff, Assurance and Tangibles impact positively on loyalty as hypothesized. However, the impact of Security on loyalty is negative.

The results suggest that the greater Empathy of nursing staff is perceived, the greater patients’ feelings of Assurance and Security are during the hospital stay, and the more positively they evaluate the Tangible elements of the service (i.e. physical environment), the more likely patients are to remain loyal to the hospital, that is, they will be more willing to reuse the same hospital in the future or recommend it to others. However, it must be pointed out that the negative relationship between security, both inside and outside the hospital, and the dependent variable, imply that the overt presence of too much security will reduce loyalty.

Hypothesis 1 is thus accepted in terms of the independent variables, Empathy of nursing staff, Tangibles, Assurance and Security, but rejected for Communication, Responsiveness of administrative staff and Physician responsiveness.

**Service quality and cumulative satisfaction** In this section, the following hypothesis was considered:

H2: There is a positive relationship between perceived service quality at the dimensional level (ten dimensions) and cumulative customer satisfaction. ‘Overall’ cumulative satisfaction was the dependent variable in this case.

It is shown the impact of the seven independent variables for service quality on cumulative satisfaction. Only two service quality dimensions influence cumulative satisfaction, namely Empathy of nursing staff (t-value 5.64 p<.001) and Assurance (t-value 0.653 p<.001).

The R² of 60.3% reveals that the modeled independent variables explain 60.3% of the variation in the dependent variable, suggesting that the strength of association between the variables can, as with Hypothesis 1, also be described as moderate.

The direction of the relationship between service quality and cumulative satisfaction is positive for the two independent variables Empathy of nursing staff and Assurance. Therefore, the results suggest that the dimensions of service quality most likely to influence patient satisfaction will be that the more patients perceive Empathy of nursing staff and the greater their feelings of Assurance, there is an increased likelihood of ‘overall’ cumulative satisfaction, a better predictor of loyalty, occurring.

Hypothesis 2 is thus accepted in terms of the independent variables, Empathy of nursing staff and Assurance, but rejected for Communication, Tangibles, Responsiveness of administrative staff and Physician responsiveness.
Customer satisfaction and loyalty

In this section, the following hypothesis was considered: H3: There is a positive relationship between customer satisfaction at the dimensional level (seven dimensions) and loyalty, as measured by patients’ willingness to reuse the same hospital in the future or recommend it to others (buying intentions).

It is shown that four of the seven customer satisfaction dimensions influence the dependent variable loyalty, namely Satisfaction with meals (t-value 4.50 p<.001), Satisfaction with the nursing staff (t-value 11.99 p<.001), Satisfaction with fees charged (t-value 2.77 p<.01) and Satisfaction with the television service in wards (t-value 2.67 p<0.01). R² of 68.3% reveals that the modelled independent variables explain 68.3% of the variation in the dependent variable, suggesting that the strength of association between the variables, as with the first two hypotheses, can also be described as moderate.

The direction of the relationship between customer satisfaction and loyalty is positive for the four independent variables, namely Satisfaction with meals, Satisfaction with the nursing staff, Satisfaction with fees charged and Satisfaction with the television service in wards. Therefore, the dimensions of patient satisfaction most likely to influence patients’ willingness to reuse the same hospital should they need to return in the future, or recommend it to others, will be the quality of the meals served, the calibre of the nursing staff employed by the hospital and the manner in which they treat the patients assigned to their care, the reasonableness of the fees charged and the provision of television sets in the wards.

An important finding emanating from the study is that satisfaction with the nursing staff (estimate 0.386), is shown to be the strongest predictor of loyalty.

Hypothesis 3 is thus accepted in terms of the independent variables Satisfaction with meals, Satisfaction with the nursing staff, Satisfaction with fees charged and Satisfaction with the television service in wards, but rejected in the case of Satisfaction with the ward arrival, Satisfaction with ward arrival and Satisfaction with the theatre experience.

Customer satisfaction and cumulative customer satisfaction

In this section, the following hypothesis was considered: H4: There is a positive relationship between customer satisfaction at the dimensional level (seven dimensions) and cumulative customer satisfaction. As with the second hypothesis, cumulative satisfaction (the overall assessment) was the dependent variable and the seven customer satisfaction dimensions, the independent variables. Table 8.20 shows the impact of these seven independent variables for the customer satisfaction dimension on cumulative satisfaction.

The three customer satisfaction dimensions influence cumulative satisfaction, namely Satisfaction with meals (t-value 3.03 p<.01), Satisfaction with the nursing staff (t-value 11.00 p<.001) and Satisfaction with fees charged (t-value 5.71 p<.001). R² of 66.0% reveals that the modelled independent variables explain 66.0% of the variation in the dependent variable, suggesting that the strength of association between the variables can be described as moderate.

The direction of the relationship between customer satisfaction and overall cumulative customer satisfaction is positive for the three independent variables, Satisfaction with meals, Satisfaction with the nursing staff and Satisfaction with fees charged. Therefore, the individual dimensions of customer satisfaction will be satisfaction with the quality of the meals served, satisfaction with the calibre of nursing staff and satisfaction that the fees charged are reasonable.

Hypothesis 4 is thus accepted in terms of the independent variables Satisfaction with meals, Satisfaction with the nursing staff and Satisfaction with the fees charged, but rejected in the case of Satisfaction with admission process, Satisfaction with the ward arrival, Satisfaction with the theatre experience and Satisfaction with the television service in wards.

3. CONCLUSION

The theoretical model proposed to predict future behavioural intentions of private hospital patients based on their perceptions of two consumer-owned judgements, namely service quality and customer satisfaction, were empirically tested by means of the multivariate data analysis technique, multiple regression analysis. More specifically, the study aimed to determine which dimensions of service quality (an overall or global judgement) and customer satisfaction (a transaction specific judgement) would be most likely to improve patient loyalty should a return visit to the hospital ever become necessary.

Ten independent variables for service quality and seven independent variables for customer satisfaction were selected to measure which dimensions exerted the stronger influence on the study’s two dependent variables, namely loyalty (measured by willingness to reuse the hospital or recommend it to others) and customer satisfaction (measured as ‘overall’ or cumulative satisfaction. The entire matrix of responses to the service quality and customer satisfaction variables was subjected to an exploratory factor analysis.

The empirical results of the exploratory factor analysis revealed that seven distinct factors emerged for each of service quality and customer satisfaction. Thus, the factors most likely to influence loyalty and overall cumulative customer satisfaction are as follows:
• Service quality
  • Communication
  • Tangibles
  • Empathy of nursing staff
  • Assurance
  • Responsiveness of administrative staff
  • Physician responsiveness

• Customer satisfaction
  • Satisfaction with meals
  • Satisfaction with fees charged
  • Satisfaction with the nursing staff
  • Satisfaction with the admission process
  • Satisfaction with the theatre experience
  • Satisfaction with the television service in wards
  • Satisfaction with the ward arrival

LITERATURE