Income Effect on Customer Satisfaction for Corporate Hospitals Services - An Empirical Investigation

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The need to raise the Indian Health Standards to better levels was realized and emphasis was laid on the super-specialty and multi-specialty hospitals participation of the government in this endeavour proved to be very minimal and hence came to the light, the concept of Corporate Hospitals. With the increasing emphasis on quality health care, there is a tendency to involve the customer to a greater extent in evaluating the quality of care provided. Thus, the customer satisfaction and dissatisfaction has been suggested as criteria for measuring the quality of care. Customer satisfaction is being used increasingly to measure hospital quality, and guide for hospital quality improvement.

Recently an increased interest in customer satisfaction studies has been observed due to an increased need for provision of quality health care and increasing competition among health care providers. In India a large section of population still perceives that private and corporate sector hospitals are profit making organizations. The present research study is aiming to analyze such an image of corporate hospitals by measuring their customers' level of satisfaction and reveal the truth. Findings of the study can be incorporated in strategy formulation by corporate hospitals to change the perception of their customers from just profit making organization, targeted at providing services to Higher income group customers only to caring and service friendly organizations accessible to medium and low income group of customers.

Introduction:

The primary reasons for a hospital existence are to provide care for customers and satisfy their needs. "Satisfaction is a measure of customer's attitude towards his physician, the medical care being received and the health

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care system". Studies have shown that customer satisfaction is a required outcome in a hospital. It has also been seen that consumer satisfaction increases profitability of organizations. Just a one percent of increase in satisfaction can produce up to a three percent of increase in market capitalization. It has also been found that it can cost three or four times as much to acquire a new customer than to make a repeat sales to an existing one. However, health care organizations were not spending much on marketing activities until recently. It was reported by Kotler in 1987 that most health care organizations spend less than one and one fourth percent of their budget in recognized marketing activities, compared to ten times that amount in many industries, and that this was predicted to change. Recently an increased interest in customer satisfaction studies has been observed due to an increased need for provision of quality health care and increasing competition among health care providers. Customer satisfaction is thus one of the desired outcomes of hospital care.

The progress in agricultural, industrial and many other sectors, including information technology, has been phenomenal in recent times. But the same cannot be said about healthcare. In the area of good health care, which is the underlying force in any civilized society, the progress has been only marginal. The reason can be attributed to the population, which is growing in geometrical progression, thus posing a continuous challenge. The absence of private investment and extremely limited funding by government is another cause. The need to raise the Indian Health Standards to better levels was realized and emphasis was laid on the super-specialty and multi-specialty hospitals. Participation of the government proved to be very minimal and hence came to the light, the concept of Corporate Hospitals. With the increasing emphasis on quality health care there is a tendency to involve the customer to a greater extent in evaluating the quality of care provided. Thus, the customer satisfaction and dissatisfaction have been suggested as criteria for measuring the quality of care. Customer satisfaction is being used increasingly to measure hospital quality and guide for hospital quality improvement. With the health care market turning from a sellers market into a buyer's market, health care providers are turning more and more towards marketing of their services. For this, a relevant tool for hospital administrators today is a customer expectation survey, which reveals what customers actually desire from hospitals. Customer satisfaction has been found to be a desired outcome in hospitals. When results of such customer expectation surveys are applied to planning of health care services, it increases chances of achieving customer satisfaction. In today's competitive world, Customer satisfaction is a benchmark of the success of any health care provider. It is important that inputs from the customers are made available for the growth of the organization. Wide range of roles of the customer satisfaction survey can be summarized as: To monitor the quality

of care provided, To measure efficiency of the hospital, To meet expectations and demands of the customers, To co-ordinate the effectiveness of the treatment, To access the employee's ability and capacity, To access and change the marketing strategy and To access and change customer relationship management strategy, if required.

Brief Literature Review

Ratnam (1994) conducted research to study the socio-economic conditions and satisfaction levels of customers in a corporate Hospital in Hyderabad. The study focused on the facilities, medical and nursing services. Majority (70-80%) of the respondents of all categories expressed satisfaction at the medical services. Satisfaction was comparatively less in nursing services. It was observed that the low-income category and low education status respondents were highly satisfied with the facilities provided in the hospital.

According to Prasad (1995) the key areas in the hospitals on which customer's satisfaction builds up are: the out customer services. Dietary services, nursing services, laboratory and x-ray services, house keeping department, public relations department and billing department. He conducted the study with the aim of evaluation of customer satisfaction at the Nizam's Institute of Medical Sciences, Hyderabad. The findings of this study revealed that delays in different departments caused dissatisfaction among customers. Though the customers were satisfied with medical services, 68% of them complained that they were not getting any information regarding their illness and their progress.

Zaphar, Williams and Haded (1991) conducted a study to assess the customer satisfaction among the medical, and surgical customers. The analysis of the demographic variables and the satisfaction score revealed that customers in their 40s and 50s were significantly more satisfied than the other age groups. Males were more satisfied than the females. These findings show that customers background factors could also be significant in satisfaction assessment.

"The literal meaning of satisfaction is to fulfill the desires, expectations, needs or demands of a person. Satisfaction is a psychological phenomenon resulting from meeting the basic needs of human beings. The needs may be physical, psychological, social or spiritual. The physical needs of every human being are hunger, thrust, sex, shelter and clothing, where psychological needs are love, security, recognition, approval and feeling of belongingness to a group. All these needs are inter-related and interdependent" - Misra Prem.

"The primary reason for a hospital existence is to provide care for its patients and to satisfy their needs"- Ray D.B.

Sharma O.P. concluded in his research that "In the current era of scace hospital resources, high cost of hospital operations and increasing demand of hospital services, the improvement of patient satisfaction assumes great significance for the hospital administrations in particular and the public in general. Patients and their relatives can be almost fully satisfied with the existing conditions available in hospitals. No extra funds are necessary. Change in attitude and approach is what is required".

"Patient satisfaction is often a better indication of the quality of art, care, quality of nursing care and quality of facilities provided than quality of technical aspects of care" - Francis C.M.

"The patient's satisfaction is of paramount importance in ensuring better on lines of total quality management because ultimately it is the patient who judges the quality and accepts our service"- Satya Narayan P.

Rationale of the Study:

Worldwide studies have shown that customer satisfaction is a required outcome in a hospital. It has also been seen that consumer satisfaction increases profitability of organizations. Just a one percent of increase in satisfaction can produce up to a three percent of increase in market capitalization. It has also been found that it can cost three or four times as much to acquire a new customer than to make a repeat sales to an existing one. However, health care organizations were not spending much on marketing activities until recently. Recently an increased interest in customer satisfaction studies has been observed due to an increased need for provision of quality health care and increasing competition among health care providers. In India a large section of population still perceives that private and corporate sector hospitals are profit making organizations and for providing services to higher incomes group customers. The present research study is in direction to introspect such an image of corporate hospitals by measuring the customers' level of satisfaction of different income groups towards services provided by corporate hospitals. Findings of the study can be incorporated in strategy formulation by corporate hospitals to change the perception of their customers from just profit making organizations to caring and service friendly organizations.

Objective of Study:

- To study income effect on overall satisfaction level amongst customers of corporate hospitals.

- To find out the areas requiring improvement based on the customers feedback.

- To make recommendation/Suggestion to improve customer satisfaction based on the study conducted.

Hypothesis:

The following hypotheses were formulated for the study and tested at 5% level of significance

H_1 Income wise there is significant difference in level of customer satisfaction for **Availability & Caring Behavior of Doctor & Staff** in corporate hospitals.

H_2 Income wise there is significant difference in level of customer satisfaction for **Services of Doctors** in corporate hospitals.

H_3 Income wise there is significant difference in level of customer satisfaction for **Registration and Discharge Services** in corporate hospitals.

H_4 Income wise there is significant difference in level of customer satisfaction for **House Keeping & Laundry Services** in corporate hospitals.

H_5 Income wise there is significant difference in level of customer satisfaction for **Services of Medical Store** in corporate hospitals.

H_6 Income wise there is significant difference in level of customer satisfaction for **General Services** in corporate hospitals.

H_7 Income wise there is significant difference in level of customer satisfaction for **Availability of facilities for attainders** in corporate hospitals.

H_8 Income wise there is significant difference in level of customer satisfaction for **Cost of Service** in corporate hospitals.

H_9 Income wise there is significant difference in level **of overall customer satisfaction for services provided** by corporate hospitals.

Research Methodology

Type of Research

The nature of research work is Descriptive in nature.

Types of sample-

Convenience sampling (Non-probabilistic) was used for the study.

Sample size

Data collected from 100 Customers of corporate hospitals of Indore city.

Data collection

The primary data for the research project is collected through self structured questionnaire from customers of Bombay Hospital, CHL Appollo, Choithram and Sri Aurobindo hospitals in Indore city of Madhyapradesh. Respondent's degree of satisfaction is recorded on Five point Likert scale as (1) Excellent, (2) Good, (3) Average, (4) Below average, (5) Poor

Data Analysis

The collected data was coded, tabulated and analyzed with the help of one way ANOVA.

Analysis and Interpretation:

Table 1. Income Profile of Respondents

Monthly Income	Percent	Cumulative Percent
<10000	29.0	29.0
10000-25000	42.0	71.0
25000-40000	14.0	85.0
>40000	15.0	100.0

Income wise profiling of respondents (**Table 1**) summarizes that 29% of respondents were having monthly income below Rs10000, 42% of respondents were in the range of monthly income between Rs10000- 25000, 14% of respondents were having monthly income between Rs25000- 40000 and 15% were having monthly income above Rs40000.

Income wise Mean and Standard Deviation for the Corporate Hospital services considered for study are given in **Table 2**. It explains the Occupation wise preferences for factors: Availability & Caring Behavior of Doctor & Staff, Services of Doctors, Registration and Discharge Services, House Keeping & Laundry Services, Services of Medical Store, General Services, Availability of facilities for attainders, Cost of Service and overall customer satisfaction for services.

Result of Income wise Analysis of Variance is given in **Table 3**. Income wise significant difference observed for the Availability & Caring Behavior

of Doctor & Staff and House Keeping & Laundry Services hypothesis H_1 and H_4 were not rejected.

Other services of corporate hospitals considered for the study were perceived more over same by different income group customers, hence remaining hypotheses were rejected.

Findings of the study revealed that with increase in income level customers of corporate hospitals demands more personal attention from doctors and staff personnel. At the same time they also give greater importance to higher standards of amenities and general cleanliness.

The level of satisfaction for different income group customers significantly differs for Cleanliness in Hospital & Daily Changing of Linen & Bed sheet. Higher income group customers require more attention to be paid by hospital administration for cleanliness. They also demand for more frequent changeover of bed sheets and frequent cleaning of outside of rooms. Similarly the level of satisfaction for different income group customers significantly differs for Availability of Doctors, Behavior of Doctor & Behavior of Fourth Class Employee. However services of doctors, Registration and Discharge Services, Services of Medical Store of corporate hospitals were perceived more over same by different income group customers.

Conclusion:

Recently an increased interest in customer satisfaction studies has been observed due to an increased need for provision of quality health care and increasing competition among health care providers. Customer satisfaction is thus one of the desired outcomes of hospital care. Measurement of customer satisfaction stands poised to play an increasingly important role in the growing push towards accountability among health care providers. In today's competitive world, Customer satisfaction is a benchmark of the success for any health care provider. It is important to gather inputs from the customers for the benefits of the organization.

Quality service is not a fad but a long-term reality that directly affects medical care, and customer outcome. There would not be any scope to improve the services; unless such bold steps at measuring customer satisfaction are pursued. The latest concept of consumer delight has added a new dimension to health care industries.

Limited available resources have to be stretched to meet the unlimited needs. The Darwin's theory of the natural selection and survival of the fittest has time and again proved itself. This is true even in the health care industry. Today quality means not just good services but cost effective & efficient services.

Recoomendations:

Statistical data analysis, detailed discussion of the data, comments from the authors to recommend the following measures:

It is recommended to increase the capacity of occupancy of the hospital to serve more people.

It is recommended to provide proper waiting room and dormitory facilities for customer attainders.

It is recommended to provide food for the attainders in side the hospital campus.

Large number of customers residing away from the cities and coming from distant places have been found visiting the hospital. It is recommended to have 24 hours communication facilities like STD and ISD Phone facilities, and cyber café facilities in side the hospital campus.

'Care team rounds' (including ward doctor, nursing in charge, physiotherapist, and guest relation team member) are recommended to improve quality of the services of the hospitals and manage day-to-day activities on a daily basis. The complaints, comments and discomfort of the customers can be handled easily by this team.

Customer education is a new concept in this competitive medical ward. It is recommended to let the customers know about their rights and duties in the hospital. A pamphlet of the "rights and duties of the customer" should be given at the time of admission. A pamphlet of the 'general guide lines to surgery' can be prepared and given to customers for their knowledge.

It has been proved that better educated personnel at the hospital can provide gives the better services and it contributes to client's satisfaction. With such an idea, it is recommended to have frequent educational seminars for the employees of the hospital. Lectures on behavioral studies can be organized for the employees to improve the behavior of the staff which ultimately reduces the complaints regarding behavioral issues and lead to customers' satisfaction.

Quality incentive payment system (QPIS) can be introduced as a part of bonus to the employees to motivate them.

It is recommended to conduct a survey on the 'expectations of the customers'. It is also recommended to repeat such studies at a regular interval of say six months. It would be a useful guide for managerial interventions.

Limitation and Scope for Further Study

It is important to note that the statistics of data can be changed significantly by enlarging the sample size and making it move diversified. The present study is limited to 100 customers. More number of customers can be studied to formulate more precise concrete conclusions. The present study is limited

to a few corporate hospitals in a the single city (Indore, M.P) The sample can be extended to more corporate hospitals in a few other cities of the country.

Implications of the Study

1.   **For Customers:** Findings of the study will help customers of corporate hospitals to know about the services which they are getting from the corporate hospitals. They would be able to analyze the value of services for their money.

2.   **For Service Providers:** Service providers of corporate hospitals would be able to know the satisfaction level of customers; and also identify areas need to improve. This will enable them to being about changes for the better performance of hospital services to meet the customers satisfaction to a great extent.

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Table 2. **Income wise Mean and Standard Deviation for the Corporate Hospital services**

		Mean	Std. Deviation
First	<10000	1.9267	.60827
	10000-25000	2.2351	.57660
	25000-40000	2.3214	.54091
	>40000	2.4333	.70373
Second	<10000	2.0603	.61476
	10000-25000	2.2500	.58954
	25000-40000	2.1607	.27045
	>40000	2.2500	.54281
Third	<10000	2.2845	.62580
	10000-25000	2.3750	.63498
	25000-40000	2.5179	.61601
	>40000	2.5500	.86189
Fourth	<10000	2.3103	.82101
	10000-25000	2.5238	.81031
	25000-40000	2.4524	.66161
	>40000	3.0667	.98561
Fifth	<10000	2.1552	.73319
	10000-25000	2.0952	.76699
	25000-40000	2.2143	.72627
	>40000	2.2000	.67612
Sixth	<10000	2.4310	.60095
	10000-25000	2.4464	.46701
	25000-40000	2.4821	.45430
	>40000	2.6667	.62440
Seventh	<10000	2.6638	.93845
	10000-25000	2.5655	.59228
	25000-40000	2.6786	.45392
	>40000	2.8000	.76881
Eighth	<10000	2.6782	.79922
	10000-25000	2.5873	.54005
	25000-40000	2.5952	.47463
	>40000	3.0000	1.00000
Overall satsfn	<10000	2.2414	.68947
	10000-25000	2.4048	.79815
	25000-40000	2.7857	.42582
	>40000	2.5333	63994

First   -   Availability & Caring Behavior of Doctor & Staff,
Second   -   Services of Doctors
Third   -   Registration and Discharge Services,
Fourth   -   House Keeping & Laundry Services
Fifth   -   Services of Medical Store,
Sixth   -   General Services,
Seventh   -   Availability of facilities for attainders,
Eigth   -   Cost of Service,
Overall satsfn   -   overall customer satisfaction for services

Table 3. **Income wise Analysis of Variance for the Corporate Hospital services**

ANOVA

		Sum of Squares	df	Mean Square	F	Sig
First	Between Groups	3 225	3	1.075	2.972	.036
	Within Groups	34.728	96	.362		
	Total	37.953	99			
Second	Between Groups	.699	3	.233	.748	.526
	Within Groups	29.908	96	.312		
	Total	30.607	99			
Third	Between Groups	.943	3	.314	.704	.552
	Within Groups	42.830	96	.446		
	Total	43.772	99			
Fourth	Between Groups	5.804	3	1 935	2.854	.041
	Within Groups	65.085	96	678		
	Total	70 889	99			
Fifth	Between Groups	.220	3	073	.134	.940
	Within Groups	52 428	96	.546		
	Total	52 647	99			
Sixth	Between Groups	.640	3	.213	.753	523
	Within Groups	27.195	96	.283		
	Total	27.835	99			
Seventh	Between Groups	.652	3	.217	.417	.741
	Within Groups	49.995	96	.521		
	Total	50 647	99			
Eighth	Between Groups	1.996	3	665	1.366	258
	Within Groups	46 771	96	487		
	Total	48.768	99			
Overall satsfn	Between Groups	2.990	3	997	2.014	.117
	Within Groups	47 520	96	495		
	Total	50 510	99			