

Factors Influencing Consumer Service Experience in Private Hospitals: A Study from Bangladeshi Perspective

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Abstract

Private hospitals and clinics are privately managed organizations in which sick and injured persons are given medical or surgical treatments. A clinic usually provides treatments to non-resident patients, while a hospital provides the same for both resident & non-resident patients. Traditionally, healthcare has been an important activity of the government of Bangladesh since the British period and the trend continued after Bangladesh gained independence in 1971. During the early 1990's, Bangladesh firmly committed itself to free market economy. As a result, the healthcare sector slowly began to attract greater attention of the private sector. Large segments of the population in developing countries are deprived of fundamental rights and one of which is access to basic health care. Bangladesh is no exception in this case. This study found out the factors that influence the service experience in private hospitals. Specific hypotheses were developed, information from the consumers of private hospitals was collected through structured questionnaire, data was analyzed through statistical tools and finally conclusions were drawn about the factors that influence the service experience in private hospitals. These findings will be helpful in understanding various aspects of consumers view point about the privatized health sector of Bangladesh which can be further improved.

Keywords: Service Experience, Service Provider, Private Hospitals, Physical Environment, Rules & Regulations, Hospital Staff

1. Introduction

Large segments of the population in developing countries are deprived of fundamental rights and one of them is access to basic health care. Bangladesh is no exception in this case. The problem of access to health care is particularly acute in Bangladesh (Andaleeb 2000). With the growth of private health care facilities, especially in Dhaka city, it is important to assess the quality of services delivered by these establishments. Recently, patients' assessment of quality care has begun to play an important role, especially in the advanced industrialized countries, and their satisfaction or dissatisfaction with services has become an important area of inquiry. Thus, Donabedian (1988) suggests that, 'patient satisfaction should be considered to be one of the desired outcomes of care information about patient satisfaction should be as indispensable to assessments of quality as to the design and management of health care systems.' Therefore, the necessity came to explore the actual scenario. At present, most of the country's hospitals are in the government sector at different administrative tiers.

2. Background of the Study

During the 1990's, a class of healthcare clinics offering some hospital services began to emerge. These in-patient clinics are described by various names: medical centre, nursing home, hospital etc. These have some properties of a standard hospital, but these are of relatively small size, usually with 10-50 beds and usually do not have the full range of services offered in a standard hospital. Some of these clinics are of general type offering a spectrum of services relating to treatment and general surgery. But a few are specialized such as for eye treatment or for cardiovascular ailments. Such in-patient clinics are mostly located in major cities of the country such as at the six divisional headquarters, 64 district headquarters and 461 Upazila headquarters.

The vast majority of such private clinics and certainly the best ones are located in the capital city Dhaka; the number being disproportionately smaller compared to the population size. Two factors may relate to this

situation - firstly, the services may be targeted at the upper middle class and secondly, the country being small in size, prospective clients for such hospitals can easily come to the capital in a matter of hours using private or rented motor vehicles. In Dhaka city the number of in-patient clinics at present will be about a couple of hundred, big and small.

Standard private hospitals are mostly attached with private medical colleges; over a dozen private hospitals as such are operating in the country. The Kumudini Hospital in Mirzapur near Dhaka is the country's most well known private hospital and one of the oldest. In recent years, wealthy people are seen to be in the venture of establishing private hospitals in memory of some loved ones but their number is very small; only a couple are perhaps worth mentioning. Some very costly and modern private hospitals are in the process of being established in the private sector largely to stop the outflow of patients from the country to India or Singapore where they hope to receive better treatments.

By far the most prolific development in healthcare took place in the diagnostic sector. Up until early 1980s, diagnostic services available mostly were of routine type involving blood, urine and stool examination, some microbiological cultures, routine biochemical tests, X-rays etc. Many of these newer and sophisticated tests became services of great public demand. But when demand is high system abuses sometimes surface. Physicians ask for tests that are not highly relevant for treatment but they do so possibly for client satisfaction and satisfaction of the business motives of the providers of these services so that the latter may reciprocate physician's referral through various incentives².

3. Literature Review

Basic concept of service experience of consumers starts with the simplified conceptual model of service operations systems (Figure 1) which is modified based on the servuction system model adopted by Bateson (1995).

Insert Figure 1 here.

As the model implies, service operations link with consumers. Consumers as participants act or behave in the service operations system driven by the goal of sufficing their added values (Tseng, Qin Hai and Chuan-Jun 1999). The active participation of consumers is one of the unique characteristics of service operations that set a service operations system apart from manufacturing systems. The service operations are divided into two parts – one that contacts with consumers and another that does not. In turn, the consumer contact part is broken into two portions - the inanimate environment and the service personnel. The service value (benefit) perceptions of consumers are achieved in the contacts between consumers and the contact personnel who are responsible for certain operation tasks and/or the inanimate environments which function for the consumers. The totality that consumers experience is called the service experience of consumers with respect to a service operations system. Consumers' service experience relays how service contacts actually occur. Thus, it was proposed that when a consumer purchases a service, he or she purchases an experience created in the service operations of a service organization (Bateson, 1995).

The growing importance of the service sector in almost every economy in the world has created a significant amount of interest in service operations (Tseng, Qin Hai and Chuan-Jun 1999). In practice, many service sectors have sought and made use of various enhancement programs to improve their operations performance in an attempt to hold competitive success. Competitive success of an organization ultimately depends on consumer satisfaction, which is then determined critically by their experience which the service operations are able to maintain (Tseng, Qin Hai and Chuan-Jun 1999). Market research has shown that consumers dissatisfied with a service will divulge their experience to more than three people (Horovitz, 1990). Poor service experience of consumers will reduce the potential consumer base of an organization and this in turn has an adverse impact on the organization's performance. A negative service experience of consumers not only forces the existing consumers to migrate to competitors but also, due to the effect of negative word of mouth, results in fruitless effort of the organization to attract new consumers (Tseng, Qin Hai and Chuan-Jun 1999). It is commonly accepted that consumer satisfaction is a critical indicator reflecting the health of service operations. The more satisfied consumers feel about their experience in the service operations system, the more competitiveness the system possesses. The increasing attention on consumers' service experience as a way to help improve service operations (effectiveness) is evident in literature (Tseng, Qin Hai and Chuan-Jun 1999).

² http://www.banglapedia.org/httpdocs/HT/P_0283.HTM

The consumer-employee interactions are an important side of the service experience of consumers which can have a significant impact on both consumer satisfaction and organization performance. Czepiel (1990) viewed several discussions on service encounters and stated the social view of the encounter between the service provider and consumer: "Service encounters are characterized by their purposiveness, the motivation of the provider, and their ability to allow strangers to interact in a way that transcends the barriers of social status. They are limited in scope and have well-defined roles for participants in which task-related information exchange dominates." Good service encounters accumulated over time maintain a long-term exchange relationship between consumers and organization. Researchers (Schneider and Bowen, 1993; Kelley, 1993; Bitran and Hoech, 1990) explored the issue of improving the interaction through human resources management. As Bitran and Hoech (1990) hold, to a large extent, firms can assure quality in high contact service settings by training and motivating frontline employees to treat consumers respectfully. They discussed the issue of communication, control, empowerment, and respect in an integrated way for the purpose of achieving more effective service operations. Lockwood and Jones (1989) formulated interactive variables of both parties (providers and consumers) involved in service encounters as: personal characteristics, perceptions of each other, social competence, and needs and objectives. The socio-psychological features of consumer-provider encounters were analyzed. The authors addressed common difficulties that service providers encounter in fulfilling their roles. These difficulties include: role ambiguity, role conflict, role overload, role incompatibility, and multi-role conflict. Right actions for improving service encounters were proposed in their work: using scripts for both participants of the encounter to recognize and formalize the provider's behavior and orient the consumer's expectation, altering the service operations system and stressing the organization culture (Tseng, Qin Hai and Chuan-Jun 1999). The service experience of consumers is describable. One may argue that the psychology and behavior of consumers vary considerably, and the service experience of consumers with respect to a service operations system is consumer-unique. Accordingly the service experience of consumers is not describable or at least difficult to describe (Tseng, Qin Hai and Chuan-Jun 1999).

Despite recent developments in the Bangladesh healthcare sector, there is still great concern about the quality of healthcare services in the country. Bangladesh has a good healthcare network covering both rural and urban areas. There are 3,976 healthcare facilities in the public sector and 975 privately-run hospitals/clinics. The healthcare-delivery system of the country compares favorably with that of many other Asian countries. However, overall healthcare use/consumption in Bangladesh is low and is of great concern to society. In response to the growing disappointment in the role of the public healthcare sector, the number of private-run facilities has increased. An estimated 15% growth has been observed between 1996 and 2000 in this sector (Siddiqui and Khandaker 2007). On the other hand, the problem of access to health care is particularly acute in Bangladesh. According to a World Bank (1987) estimate only 30% of the population has access to primary health services and overall health care performance remains unacceptably low by all conventional measurements. With the growth of private health care facilities, especially in Dhaka city, it is important to assess the quality of services delivered by these establishments. In particular, it is important to determine how the quality of services provided by private clinics and hospitals compares to that of public hospitals. The health sector occupies an enormously important position in ensuring sustainable overall socio-economic advancement in developing countries. In Bangladesh, the government has begun to strategically integrate the health sector into its poverty reduction plans (Andaleeb 2000). Private hospitals or clinics are focusing on the service quality to provide the good consumer service experience. While the efforts are in the right direction, the public health sector is plagued by uneven demand. Countrywide, the underutilization of available facilities is of significant concern. For example, one study shows that the overall utilization rate for public health care services is as low as 30% (Ricardo et al. 2004). The unavailability of doctors and nurses, as well as their negative attitudes and behaviors, are major barriers to the utilization of public hospitals. What is particularly disturbing is the lack of empathy of the service providers, their generally callous and casual demeanor, their aggressive pursuit of monetary gains, their poor levels of competence and, occasionally, their disregard for the suffering that patients endure without being able to voice their concerns (Andaleeb 2000). All these are credited to bad consumer service experience.

In this paper, the pertinent factors of consumer service experience are being identified and the influences of these factors over consumer service experience in private hospitals are assessed. The key concepts are described next. Then the research method is explained, followed by the findings and conclusions.

4. Conceptual Framework

Insert Figure 2 here.

4.1 The Physical Environment

The physical environment consists of all the nonliving features that are present during the service encounters. Because services are intangible they cannot be objectively evaluated like goods. Hence, in absence of a tangible product, consumers look for tangible cues that surround the service on which to base their service performance evaluations.

4.2 Authority and Service Providers

Service providers are the primary providers of the core service. In contrast, authority is employees other than the primary service providers who briefly interact with the consumer. Unlike the consumptions of goods, the consumptions of service often take place where the service is produced. Regardless of the service delivery locations, interactions between consumers and contact personnel and service providers are a must, both parties must be present at the time of service delivery. As a result the impact of the contact personnel and service providers on the service experience can be profound.

4.3 Rules and Regulations

Although Rules and regulations inside the private hospitals are invisible to the consumers, they have an intense effect on the service experience. The invisible organization and system determines the factors such as information forms to be completed to policies of the organizations. The servuction system is what creates the experience for the consumers and it is the experience that creates the bundle of benefits for the consumers.

5. Hypotheses

Based on the Research Question, the following hypotheses have been developed-

H₁: Physical environment shapes a better service experience for the consumer of Private Hospitals.

H₂: Hospital staff influences the service experience of consumer in Private Hospitals.

H₃: The strategy, rules and regulation of the Private Hospitals positively influences the service experience of a consumer.

6. Methodology

6.1 Questionnaire Design

Elements of the servuction model revealed the insight of the consumer about service experience in private hospitals. 3 factors were considered from the servuction model. Eighteen questions were developed for the conclusive research questionnaire. Five point Likert scale was used to collect data from the respondents. The respondents were asked to rate on several statements on the questionnaire using the scale between Strongly Agree and Strongly Disagree. The questionnaire was pre-tested in order to maintain proper wording, length and sequencing of the questions.

6.2 Sampling

The data were collected from the patients of Private Hospitals in Dhaka city, Bangladesh. To select the sample, non-probabilistic sampling method i.e. convenient sampling was used. A sample size of 100 students was used to conduct the research. A total of 14 items were constructed to get the data on nine variables where eight were independent and the remaining one was dependent.

6.3 Reliability

Reliability and internal consistency of the multi item scales for each of the constructs were measured using Cronbach Coefficient Alpha. The minimally acceptable reliability for primary research should be in the range of point five to point six. (Nunnally, 1967) Based on the assessment a total of 13 items measuring the constructs were finally retained for final use. Cronbach Coefficient alpha values were computed for each construct separately which ranged from point 0.552 to 0.690.

Insert Table 1 here.

7. Data Analysis & Findings

Once the reliability analysis was done, one question from the first independent variable physical Environment was excluded that ultimately improved the alpha value. Then, calculation of the mean value of dependent variables and independent variables were done. Finally, analysis was completed through regression analysis.

Insert Table 2 here.

Insert Table 3 here.

7.1 Hypothesis Testing

In this section hypothesis based on the three factors that has an effect on consumer service experience are being analyzed.

Insert Table 4 here.

First hypothesis was H_1 , Physical environment shapes a better service experience for the consumer. The observed table shows that physical environment has a positive influence on the consumer but it is very low and it is not statistically significant as we can see that P value (.539) is larger than α value (.05) so H_1 is rejected. Second hypothesis was H_2 , Hospital staff influences the service experience of consumer in private hospitals. The observed table shows that hospital staff has a positive influence on the consumer and it is not statistically significant as we can say that P value (.065) is larger than α value (.05) so H_2 is rejected. Third hypothesis was H_3 , The strategy, rules and regulation of the private hospitals positively influences the service experience of a consumer. The observed table shows that rules & regulations has a positive influence on the consumer and it is statistically significant as we can say that P value (.000) is smaller than α value (.05) so H_3 is accepted.

7.2 Regression Analysis

Insert Table 5 here.

From the regression analysis, the Value of R Square is 0.890. That means independent variable (Physical Environment, Hospital Staff, Rules & Regulations) has **89.0%** impact over the dependent variable (Service Experience). In this study of regression model analysis of the influence of the factors on consumer service experience tries to find out the factors which affect the service experience in private hospitals. The 3 factors are Physical Environment, Hospital Staff, Rules & Regulations are tested by conducting a Regression analysis. The result indicates that all the three factors have direct positive and significant influence on Consumer service experience. Only physical environment and hospital staff did not show any significant influence on consumer service experience. Perhaps Consumer may give less attention to physical environment and hospital staff in order to get a better service experience.

7.3 Limitation

The study has some limitation also. Firstly, the study used convenient sample more specifically the students of Dhaka city and many arguments in favor and against the convenience sampling method. Several authors have

enumerated the dangerous of using student samples in research (Beltramini1983; Oakes 1972). The R^2 (.890), is comparatively high but some other factors can also influence the service experience. Further study should include other factors except those considered here. Also physical environment and hospital staffs are rejected here so further research should focus into physical environment and hospital staff.

8. Conclusion & Recommendation

Private Hospitals and Clinics are privately managed organization in which sick and injured persons are given medical or surgical treatments. A clinic however, usually provides treatments to non-resident patients. Traditionally healthcare has been an important activity of the government since the British period and the trend continued after Bangladesh gained independence in 1971. During the early 1990's Bangladesh firmly committed itself to free market economy. As a result, the healthcare sector slowly began to attract greater attention of the private sector. At present, most of the country's hospitals are in the government sector at different administrative tiers³.

The vast majority of such private clinics and certainly the best ones are located in the capital city Dhaka; the number being disproportionately smaller compared to the population size. Two factors may relate to this situation - firstly, the services may be targeted at the upper middle class and secondly, the country being small in size, prospective clients for such hospitals can easily come to the capital in a matter of hours using private or rented motor vehicles. From the analysis conclusion can be drawn that the factors of servuction model are both visible and invisible and they both affect the service experience in private hospitals. In this study these factors are tested with a statistical technique and factors like service provider and Rules & Regulation proved significant in the study and physical environment proved insignificant. May be consumers are more influenced by the other factors except physical environment.

Even though the Hypotheses of Physical Environment and Hospital Staffs have been rejected, focus should be put on this sector. Physical Environment can play a vital role to serve customer's demand. Proper training for hospital personnel's will be appealing for customer's to have positive service experience from private hospitals. An established process to increase customers' service experience need to be developed in every private hospitals. Strong logistic support along with experienced panel of physicians will also assist to increase the customer experience. As the hypothesis of Rules & Regulations has been accepted, it should be treated as a primary focus point for improvement and enhancement.

³ http://www.banglapedia.org/httpdocs/HT/P_0283.HTM

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Annexure

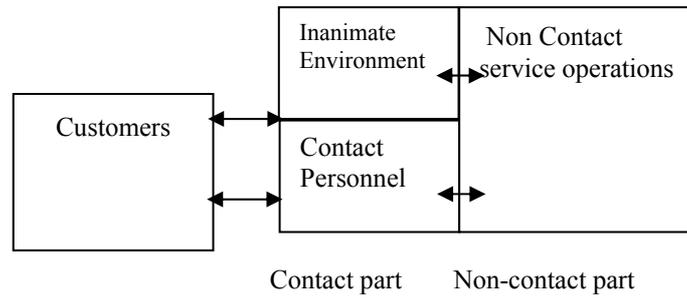


Figure 1: Service Operations (System) Conceptual Model

<ul style="list-style-type: none"> ■ Consumer service strategy 	<p>Inanimate Environment</p> <ul style="list-style-type: none"> ■ Cleanliness of the surroundings ■ Odors ■ Furnishers (Beds, chairs, tables etc) ■ Decoration (Curtains, bedcover etc) ■ Consumer care center’s appearance ■ Equipments(Computers and many others)
<ul style="list-style-type: none"> ■ Rules and regulations 	<p>Authority</p> <ul style="list-style-type: none"> ■ Receptionists ■ Telephone operator ■ Security personnel <p>Service Provider</p> <ul style="list-style-type: none"> ■ Consumer care Manager <p>Other Patients</p>
<p>Invisible</p>	<p>Visible</p>

Figure 2: Servuction Model (Hoffman, Bateson, J 2006)

Table 1: Reliability Analysis

Dimension	Number of Items	Alpha Values
Physical Environment (independent)	3	0.571
Hospital Staff (independent)	5	0.552
Rules & Regulation (independent)	3	0.690
Service Experience (dependent)	3	0.552

Table 2: Respondents' Demographic Profile

Gender	Frequency	%
Male	42	42
Female	58	58
Total	100	100

Table 3: Respondents' Preferences and Visiting Frequency

Medical Preferences	Frequency	%	Visiting Status for Medical Services			Visiting Status in Private Hospitals		
			Yes	Frequency	%	Yes	Frequency	%
Public Hospital	9	9	Yes	55	55	Yes	81	81
Private Hospital	59	59	No	45	45	No	19	19
Clinic	25	25						
Personal Doctor	7	7						
Total	100	100	Total	100	100	Total	100	100

Table 4: Hypothesis Testing

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.547	.258		-2.119	.037
	Environment	.031	.050	.022	.616	.539
	Hospital Staff	.093	.050	.066	1.864	.065
	Rules Regulation	1.020	.037	.944	27.711	.000
Dependent Variable: Experience						

Table 5: Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.943 ^a	.890	.887	.24088	.890	258.951	3	96	.000

a. Predictors: (Constant), RulesRegulation, Environment, HospitalStaff