

# An Empirical Study on Service Quality and Patient Satisfaction: A case of Private Sector Hospital in Delhi

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## ABSTRACT

Health care has become one of the largest growing and developing sectors in India, which focuses on both providing jobs (employment) and revenue generation. When we talk about service industry and service quality; healthcare comes on top priority. The quality of service both technical and functional- is a key ingredient in the success of service organizations. Technical quality in healthcare is defined primarily on the basis of technical accuracy of the diagnosis and procedures. While, Functional quality in contrast relates to the manner of delivery of healthcare services. The nature of medical care provisioning is majorly based on social-economical factors of the society and as per governmental policies and regulations. Health care industry in India is an emerging market which majorly constitutes of private equity and foreign investments. Such investments are creating new infrastructure, foreign investments are expected to boost innovation and better service quality and care. The public health system under funds i.e. only 1.1% of GDP spent on healthcare. In this paper we bring the notice that there has been a substantial improvement in financial and geographical access to healthcare. It is important to bring policy makers, research organizations and advocacy organizations on one platform, instead on looking for a short term gain, they can create a conducive environment for growth and development. In this paper we analysed that there is no significant difference between gender and patient satisfaction and there is no significant difference between age group and patient satisfaction.

**Keywords:-** Health care, equity, advocacy, patient, sector.

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## INTRODUCTION

In India, the service quality of healthcare is miserable and in general, the health outcome is far from satisfactory (Bajpai and Goyal, 2004). Gone are the days when customers (patient and their family/attendants) were ready to buy anything. Although, hospital services are distinct and different in comparison to other segments of service industry. At times patients just come for diagnosis (any therapy/follow up/sitting etc.) and the leave i.e. Out Patient. On other hand, few been admitted to stay in hospital for treatment or observation basis on their deteriorated health condition i.e. In Patient. Patient comes first and there is a continuous need to know the level of their satisfaction before, during and after their visit to any of the hospitals. A healthcare organization can achieve patient satisfaction by providing quality services, keeping in view patient's expectation and continuous improvement in the health care service (Zineldin, 2006). The overall current Indian healthcare market is worth around US\$ 100 billion and is expected to grow to US\$ 280 billion by 2020 a Compound Annual Growth Rate (CAGR) of 22.9%. There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of Gross Domestic Product (GDP) is rising. Health services are now attracting foreigners to avail treatment in India (due to quality and economical reason) which is often termed as medical tourism. India's medical tourism was estimated to be worth US\$ 3 billion in 2015 and projected growth is US\$ 7-8 billion by 2020. According to Confederation of Indian Industries (CII) the primary reason that attracts medical value travel to India is its cost effectiveness, treatment from accredited facilities at par with developed countries at much lower cost. The Medical Tourism Report: 2015 found that India was "one of the lowest cost and highest quality of all medical tourism destinations, it offers wide variety of procedures at about one-tenth the cost of similar procedures in United States.

India is placed among the top three medical tourism destinations in Asia and Delhi is placed among top five most popular destinations in India. According to Investment Commission of India, medical industry has experienced a remarkable growth of 12 % per year during last five years. Though, Chennai is considered the health capital of India, Delhi has retained its position in first five.

### Rational of study

The healthcare industry is growing at exponential rate. Patients from other countries are also coming to avail health services in India. Health service is primarily supported by the quality being delivered by the service providers. The country is witnessing incremental growth of various diseases and people tend to strive for good treatment.

As they are paying huge amount of money, so their expectations for services has also increased multifold. Several new hospitals are coming up so it is important to measure the service quality being offered and to gauge the impact of service quality on patient satisfaction.

In recent years, one of the fastest growing industries in the service sector is health care industry. In the health care industry, all hospitals provide the same type of service, but they do not provide same quality of service. To achieve service excellence, hospitals must strive for zero defections, retaining every customer that the company can profitably serve. Zero defection requires continuous efforts to improve the quality of the service delivery system. Thus, this research attempts to investigate service quality and patient satisfaction towards private hospitals in Delhi.

## II.LITERATURE REVIEW

In order to develop conceptual and theoretical framework and to understand various aspect of health industry and service quality a large number of national and international research papers were reviewed. The service quality has always attained a huge amount of attention by both practitioners and researchers. It has been described in various ways by various scholars hence there is no universal and parsimonious definition of quality. Reeves and Bednar (1994), summarized concluded different definitions of quality as follows: (1.) quality as excellence, (2.) quality as value, (3.) quality as conformance to specification, and (4.) quality as meeting or exceeding customer's expectations. (5.) The interest in service quality has been influential in contributing significantly to the growth of the general marketing field. In business literature, the customer's perception of quality has been the major focus in studies completed on service quality. Hence service is often conceptualized as the comparison of service expectations with actual performance perceptions. (6.) On an operational level, research on service quality has been dominated by the SERVQUAL instrument, which is based on a so-called gap model. Gap model is recognized today as a major contribution to the service management literature. (7.) SERVQUAL is designed by Parasuraman, Zeithaml and Berry to measure service quality as perceived by the customer. Parasuraman et.al.'s measure of service quality was based on Oliver's disconfirmation model. In the disconfirmation theory, the perception of service quality is conceptualized as a comparison of the expected level of service and actual service performance. Expectations are the wants of consumers, that is, what they feel a service provider should offer. Perceptions refer to the consumer's evaluation of the service provider. (8.) Therefore, if the customer's performance perceptions exceed the customer expectations, then the service provider provides quality service. The difference in scores determines the level of service quality. There are many researchers who have defined service quality in various ways time to time. Most appropriate is defined by Parasuraman, Zeithaml and Berry (1985) – "A function of differences between expectation and performance along the quality dimensions".

SERVQUAL (Parasuraman, Zeithaml and Berry, 1988) and SERVPERF (Cronin and Taylor, 1992) scales are commonly used to evaluate service quality in many service industries. Khosla, J.N. (1969) found in their study, emphasis by the patient of two Delhi hospitals on varying needs according to their income groups:

- (i) Middle and high income group: personal and prompt attention of doctors, better behaviors by class IV staff, improved physical facilities, relaxation of visiting hours.
- (ii) Low income group: improved physical facilities, improved diet, relaxation visiting hours, better service by class IV staff, sympathetic behavior and transport facilities after discharge.

Buttle F. (1996) Service quality has also become recognized as a driver of corporate marketing and financial performance. They observed that service quality is basically some differences between customer (patient's) expectations and preciseness of service. If expectations are greater than performance, hence it will lead to dissatisfaction and vice versa. These are two main basic constructs and important aspects of service quality (viz. customer satisfaction and dissatisfaction).

Kuo C.T. (1996) recognized seven factors that influence customer satisfaction: price, service, content, convenience, equipment, procedure and corporate image staff. Huang also defined five factors can be used to appraise customer satisfaction; service, staff, product, overall performance of products and closeness to expectations. In the healthcare sector, consumer's perception can be considered the patient's evaluation of particular hospital's service quality. Perception of patients towards service quality measures and satisfaction level in patients and their attendants/families. The SERVQUAL model proposed and developed by Parasuraman is one of the most used and appropriate research tool. The analysis and observation of service quality helps hospitals to utilize and allocate the staff and resources in accordance to improve the performance that are important inpatient's perspective of service quality.

Kenneth E. Covinsky and Gery E. Roseenthal, et. al. (1999) interviewed patients at time of admission and discharge to get two measures of health status. At the time of discharge, they conducted a patient satisfaction questionnaire. They monitored relation between changes in health status of a patient and their satisfaction from the service quality of the hospital. Strangely, they found that patients with similar discharge health status had somewhat similar satisfaction. Further, they suggested that changes in health status and patient satisfaction were measuring different domains of hospital outcomes and quality.

Hoffman and Bateson (2001) defined service quality as an attitude “formed by a long term, overall evaluation of a firm’s performance.”

Gronroos C. (2001) compared traditional marketing models to service marketing models and found that most important characteristics of services is the fact that services are processes, not things. He further stated that consumption of physical products can be described as “outcome consumption” and the consumption of services can be described as “process consumption”. This is quite different in nature from a physical product. Compared to the marketers of physical goods, who offer tangible products, service firms rely only on a set of resources i.e. employees, technology and systems, physical resources, customers and above all a governing system that can put these resources to use whenever a customer approaches/requests for service. Knowing what do customers of services see in a service as a need satisfying solution when they do not see and perceive any ready-made product features. The obvious answer to this question is that they (customers) see and perceive the process they are involved in as consumers of the service as well as outcome of this process. Something is needed to replace the product concept for service quality. How a service concept be transformed to something that provides satisfaction? , that is how is the satisfaction providing process perceived by customers of services? The best answer is to the perceived service quality model proposed by Gronroos C. (1982) the consumers perceive what they receive as the outcome of the process. Customers also bring in their previous experiences and overall perceptions of a service firm to each encounter. A perceived service quality model was developed to provide the service equivalent of product features and how to cope up with them. However service marketing research took another avenue here. Technical and functional features of services should be replaced by technical and functional features of services.

Alaloola, Nesreen A. and Waleed A. Albedaiwi (2008) conducted a survey by self- designed questionnaire to find patient satisfaction in a Riyadh Tertiary Care Centre. Survey was based on cross section and includes 1983 inpatient, outpatient and emergency care patients. They found there was a huge satisfaction regarding room comfort (88.5%), cleanliness (79.6%), call button system (87.9%) and respectful staff (87.4%). Patients were dissatisfied with phlebotomists not introducing themselves (74%), physicians not introducing themselves (59.1%) and not explaining procedures (57.2%) .

Zaim, H. , Bayyurt, N. and Zaim, S (2010) conducted a survey to find out service quality and determinants of customer satisfaction in health care industry of Turkey. They investigated relationship between customer satisfaction and SERVQUAL measures. They measured customer satisfaction over three criteria i.e. by asking customers; their future purchase intention, how they evaluate overall service quality and how they see overall quality of hospital. Service quality was measured by the difference between perceived service and expected service and rated it over seven points Likert scale. They designed two different questionnaires for same patients (i) measuring the general expectations of the in-patients who have been under treatment in the hospital and (ii) for measuring the perceptions of them related to service quality performance of the hospital. They distributed around 400 questionnaires in 12 hospitals of Turkey and got response on 265 which is 66% response rate and is satisfactory for subsequent analysis. The results of this analysis gave substantial support for the multi-dimensional view for the construct. They referred to tool designed by Parasuraman et.al. and they somewhat found that their dimensions differed from theirs. For example, while tangibility, reliability, courtesy and empathy were important criteria for customer satisfaction in the study, on other hand the responsiveness and assurance factors were not identified as direct determinants of service quality. The major challenge for the health care service providers is to develop a better understanding of the key dimensions constituting health care quality and valid approaches to their measurements.

They found that there is considerable discrepancy among the existing scales in terms of what to measure and how to measure service quality.

Havva Caha (2010) found that patients who have social security, have started to benefit from private hospitals in Turkey. Their satisfaction from service quality of private hospitals have become a, important issue. More than 50% of private hospitals are located in capital Istanbul and which leads to immense competition and customer satisfaction plays a key role in it. He used the model developed by Kara (2000) and SERVQUAL by Parasuraman et.al. Questionnaire was given to 100 patients by random selection of four private hospitals in Istanbul. A large number of patients complain about quality services provided by the hospitals especially the waiting time of their turn for treatment and consultation time given to them. As a result, this study indicated that satisfaction of the patients seem to be the most important factor for private players.

Dave, D.R and Dave, R (2014), conducted research survey to find out factors affecting selection of hospital by consumer and to measure the impact of perceived service quality on consumer satisfaction of selected private hospitals of Vadodara city. A structured close ended questionnaire with minor modification in SERVQUAL item was done and item related to access and credibility were added. Data was collected from 100 respondents using known probability convenience sampling from patients admitted in private hospitals. In their study, they found that reputation of hospital along with the extra facility available were important influencing factor. The study found that there is a strong association between satisfaction level and their tendency to recommend the hospital to others.

Chopra, V. carried out participant’s observation in patient role in a hospital and confirmed through a flow chart that the aforesaid two factors led to better output i.e. recovery, which in turn led to patient satisfaction. In their report, hospital food, communication, discharge policy, use of influence, nursing orderly and sweepers were identified as dissatisfying factors. Conclusion was that best possible hospital services might take care of patient dissatisfaction but to attain positive satisfaction patients must be given a good medical care, which is utmost required.

### **III. RESEARCH METHODOLOGY**

#### **Research Design**

The research is based on descriptive study. The study requires both primary and secondary data. The primary data would be collected through questionnaire and interview. The secondary source would be referred for review of literature, to have better understanding about health services in Delhi and India. Various sources such as journals, books, reports and websites would be referred.

#### **Sampling Technique**

Sampling Technique would be convenient sampling technique. Patient availing services as in-patients admitted for the treatment of various diseases in private hospitals in Delhi would be the respondents and also their attendant(s) would be interviewed.

#### **Sample Size**

After suitable review of literature and keeping view the limitation. The sample size would be between 350-500 respondents who have availed hospital services as an in-patient in various private hospitals in Delhi. The basis of questionnaire is SERVQUAL. The questionnaire would be designed and is subject to pre-test before final administration of questionnaire.

#### **Data Analysis**

The data would be analysed using SPSS Software for statistical significance and hypothesis testing. Various univariate and multivariate statistical tests such as percentage, standard deviation, chi-square test, ANOVA and regression would be carried out.

### **CONCLUSION**

The following Conclusion is to be analyzed:

1. There is no significant difference between gender and patient satisfaction.
2. There is no significant difference between age group and patient satisfaction.
3. There is no significant difference between education and patient satisfaction.
4. There is significant association between service quality and patient satisfaction.

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