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**FACTORS INFLUENCING CUSTOMER SATISFACTION IN HEALTH
CARE SERVICES**

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This report is submitted in partial fulfillment of the requirements for the degree of Bachelor of Technology Management with Honour (High Technology Marketing)

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DECLARATION

“I admit that this report is a product of my work except the citation for each of which
I have mentioned the sources.”

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DEDICATION

This research paper is dedicated to my beloved Mother, Father and Younger Sister.

And also to my dearest friends.

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ABSTRACT

Factors Influencing Customer Satisfaction in Health Care Services

The aim of this study is to identify, compare and evaluate the determinants of the patient satisfaction regarding the service and health care centers. Physical environment, reliability and customer friendly staff are used as independent variables and patient satisfaction use as dependent variable The quantitative research and the random sampling technique is used for the data collection and survey was conducted using the questionnaire consisting on the close questions given to the patients of different department of the hospitals. Responses were analysis using correlation, multiple regression. Findings indicate that physical environment, reliability and customer friendly staff are directly affect customers satisfaction.

Keywords : Health Care, Physical Environment, Reliability, Customer Friendly Staff

ABSTRAK

Faktor-faktor yang Mempengaruhi Kepuasan Pelanggan dalam Perkhidmatan Penjagaan Kesihatan

Tujuan kajian ini adalah untuk mengenal pasti, membandingkan dan menilai penentu kepuasan pesakit mengenai perkhidmatan dan pusat penjagaan kesihatan. Persekitaran fizikal, kebolehpercayaan dan kakitangan mesra pelanggan digunakan sebagai pembolehubah bebas dan kepuasan pesakit digunakan sebagai pemboleh ubah bergantung. Kajian kuantitatif dan teknik pensampelan rawak digunakan untuk pengumpulan data dan tinjauan dilakukan dengan menggunakan kuesioner yang terdiri atas pertanyaan dekat yang diberikan kepada pesakit dari pelbagai jabatan hospital. Respon adalah analisis menggunakan korelasi, regresi berganda. Penemuan menunjukkan bahawa persekitaran fizikal, kebolehpercayaan dan kakitangan yang mesra pelanggan secara langsung mempengaruhi kepuasan pelanggan.

Kata kunci: Penjagaan Kesihatan, Persekitaran Fizikal, Kebolehpercayaan, Kakitangan Pelanggan yang Mesra

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LIST OF ABBREVIATIONS

GDP	Gross Domestic Product
HAIs	Health Care–Associated Infections
H1	Hypothesis 1
H2	Hypothesis 2
H3	Hypothesis 3

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter begins by giving the overview of the study. This chapter comprises of background of the study, problem statement, research questions, research objectives, scope of the study, the importance of the study, and the summary.

1.2 Background of the Study

There has been an unexampled growth and development in the service industries. The service sectors are the greatest contributor (more than 50 per cent) to gross domestic product (GDP) in many developed countries (Bateson and Hoffman, [1991](#)). Formulating countries are following in the same steps by introducing first step to boost their service industries. Health care is a central service sector that can pulled significant revenue from local and international sources (Selim Ahmed, Kazi Md. Tarique and Ishtiaque Arif, [2017](#)). Thailand and Singapore have successfully pulled

several health tourists. Patients from countries like Bangladesh, Indian and Pakistan often visit those countries for a better quality treatment.

As we know, in Malaysia, health care services furnished by the hospital is the majority service customers demanded but some customers do not want. Meanwhile, in order to receive the services, the customers have to be show in the service process and the successful delivery of health care services needs a customer's cooperation both during and after the meet (Bahari Mohamed, [2015](#)). For example, the customers require to answer the doctor's inquiry honestly during the first meet and follow the advice after that. The customers have to trust the proficient mind of the service providers. Thus, the hospital can finally influence the life and death of an individual. Health care services dissent in particular ways to other service sectors. The most crucial of those differences is that customers often find evaluating health care providers was difficult, during and after the treatment. This problem arises because they lack of the necessary knowledge and skills to make the judgments, and was obligated to trust the providers.

Meanwhile, customer satisfaction is widely used in the health care sector to find out the quality of services provided. Accordingly, they require a health care provider to build up a strong quality of service to satisfy their customers (Lei and Jolibert, [2012](#)). Moreover, in determining the customer's well being, customer satisfaction is a substantial factor and hence must be included when assessing health care service provision. As such, customer satisfaction is a factor should be give a priority by the health care organization in order to endure in a highly competitive environment.

The factors influencing customer satisfaction in health care services includes the physical environment. Physical environment refers to physical facilities, infrastructure, hospital functions, medical apparatus devices and instruments and medical staff appearance. Second is reliability factors. Reliability refers to medical personnel's capability to deliver coveted services systematically, accurately and dependably. The reliability criterion occupies on issues like speed, registration time

and doctor availability in the real-time and treatment. The other factors is customer friendly staff. Customer friendly staff refers to the employee dedication, customer caring and hard work of the hospital staff. It also shows hospital staff's commitment to provide a friendly environment and compassionate care. In summary, the services provide by the hospitals is an important to achieve better outcomes for customers satisfaction and reflects the overall hospital performance.

1.3 Problem Statement

The necessitate for health care services is arising and continues intense, with chances for improvement and innovation in diagnoses and treatment (Dr Milton Lum, [2018](#)). However, economic uncertainty and budgetary restraints continue to put significant financial pressures on the provision of health care services. The growing trend of consumerism among health care consumers has demonstrated a need to understand the extent to which health care providers fulfill the customer's needs and wants nowadays. The health care providers attempt to increase customer satisfaction which is the criteria that creates competitive advantages and distinguish highly reputed hospitals from the others. Thus, examining customer satisfaction has been a part of the health care centers' focus for service quality, staff (doctors & nurses) communication and value of delivery.

Consequently, there is a critical need to understand the customers in health care services therefore measuring service quality and communication with customer is the first step towards realizing customer expectation. It is important for health care centers to adopt service quality programs to improve the ways of providing a services to their customers, and to achieve a long-term sustainable relationship with their customers.

1.4 Research Question

This research aims to resolve the following research questions :

- i) What are the characteristics of customer in health care services in Malaysia?
- ii) How does the relationship between the factors affect the customer satisfaction in health care services?
- iii) What is the most influencing factor(s) in customer satisfaction in health care services?

1.5 Research Objective

Where based on the research questions, there are three objectives have been planned to be studied, which are :

- i) To determine the different characteristics of customer in health care services in Malaysia.
- ii) To investigate the relationship between the factors affect the customer satisfaction in health care services.
- iii) To identify the most influencing factor(s) in customer satisfaction in health care services.

1.6 Scope of the Study

This research studied the customer satisfaction on health care services from the private hospitals in areas of Peninsular Malaysia for four region which were in Northern Region, East Coast Region, Central Region and Southern Region. The researcher distributed the questionnaires to every respondents which classified in upper, middle and lower status. The researcher also has distribute the questionnaire to every unit in the hospitals to determine the satisfaction of the customer in health care services.

1.7 Importance of the Study

For industry, the importance of the study was to create awareness for health care management that customer satisfaction was very important in order to gain better performance. For academicians, the result of the study should be quite significant since it will provide a better understanding of factors that influencing customer satisfaction in health care services. For the policy maker, the importance of this study was to expose that the factors need to be consider as important for abide with the policy of health care services. This study was also significant to obtain feedback from the customers themselves, which was using a measurement scales which allows the customer valuate the physical environment, reliability and customer friendly staff that had generated to them.

1.8 Conclusion

The factors which were physical environment, reliability and customer friendly staff are directly affect customers satisfaction in health care services. The private hospitals need to be aware with this situation in order to achieve excellent result of satisfaction when customer come to the hospitals. In this chapter will start with the background of the study, problem statement, research questions and research objectives, scope of the study, and the importance of the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter highlight the literature review that had been used for this research. This is focus on determining factors influencing customer satisfaction in health care services. In this chapter, the researchers use versatile references materials as a guideline to complete this research. For example, journals, thesis and other printed medium. This medium is to get the information to strengthen the concept about the research framework. As mention early, this chapter also focuses on theoretical framework that had been developed to summarize the chapter.

2.2 Health Care Industry

The health care industry has been knocked for being slow in the acceptance of technology to support delivery of care (Barnes, [2001](#); Spil & Stegwee, [2001](#); Suomi, [2001](#); Wager, Lee & Glaser, [2005](#); Wickramasinghe, [2001](#)). Some of the innovative

technologies have been successfully introduced with the aim of improving hospitals' performance and providing a better health care services (Hidayah Sulaiman, [2011](#)). Some research indicates that the delivery of these technologies was perceived to be less than appropriate or tolerable for the medical staff. All over the world, health care represented chiefly by hospitals remains an important sector supplying a basic and advanced health services to customers.

Therefore, contempt the idea that their roles are seen as inherent part in the health care services and these roles were very well-recognized, hospitals was often the target of improvement and reform in terms of quality, efficiency, equity and their service delivery to customers. These factors contributed to an increased concern about the services delivered by the hospitals and most importantly the quality of the services offered and the overall satisfaction from the customers. A number of researchers reported that public hospitals are perceived not performing well and also was characterized by low quality and trust compared to the quality of private hospitals (Yaser Salman Alsharari, [2017](#)). In this context, the organizational factors and its impact on hospital performance were frequently in poor organizational performance and this poor performance is a direct result of the low service quality provided by the hospitals thus it will effect the customer satisfaction.

The services provided by the private hospitals were much better than the services provided by the public hospitals. Health care organizations operating in the public sector are having increasingly low trust on the customers in terms of the quality of care provided. Nowadays, customers desiring to receive a high service quality and incline to prefer private hospitals. Furthermore, some of the research studies reported that public health care sector was perceived to have lower service quality compared to the service quality provided by the private health care sector. This idea was supported by the other researchers who were conveyed studies on health care services.

In Malaysia, the private sector has always attracted both general and family physicians who had preferred by opening individual clinics or by joining more established group practices while specialists join the better-paying more personalized care practices in urban private medical centers. According to Dr. David K. L. Quek ([2014](#)), private health care expansion began in earnest during the Tun Mahathir premiership in the 1980s, where private hospital beds increased nearly 10-fold (from 1171 to 10405 between 1980 to 2003), and the private sector's share of hospital beds increased from 3.9-5.8% to 23.4-26.7%. On average over the years depending on the economic circumstances, this private sector constitutes around 55% of all registered doctors, who look after some 25% of the population, most on a self-paying fee-for-service arrangement, and increasingly through some third party paying mechanisms.

2.3 Customer Satisfaction

Customer satisfaction is overall satisfaction that immediately follows a service encounter while satisfaction is an outcome, which is a rating and an emotion-based response to any service. Customer satisfaction indicates that customers experience their decision was slide down by choosing the particular private hospital, which leads to customer loyalty towards. If a hospital performance below from their expectations, the customer becomes disgruntled. Likewise, if the services meet the expectations the patient will gratified.

According to Catherine Efuteba ([2013](#)), most companies today are focused on satisfying their customers, and the reason being that just-satisfied customers are prone to switch when they find a better options. Customers that are highly satisfied will always create personal association with their health care providers especially when in private hospitals and their services are really comfortable in terms of hospitality and environment from the hospital. Customers will assess a service as satisfying when it

is useful, effective and beneficial. Thus, identifying the needs and wants of the customers can create dazzling offers, stimulate minds and develop familiarity.

2.4 Independent Variables

There are some different variables which have an impact on customer satisfaction such as physical environment, reliability and customer friendly staff because in Malaysia these variables are very important than the other variables.

2.4.1 Physical Environment

The health care compensation is firmly linked to a reduction in hospital-acquired conditions through the enactment of the Affordable Care Act, the entire health care industry has additional incentive to address customer safety problems aggressively (Anjali Joseph, [2012](#)). Although there has been recent progress in customer safety, perhaps one reason for the bothering gaps is that all of the variables that lead to safe and quality care have not been analyzed together. One often-omitted variable is the physical environment, which fleshes every customer experience and all the health care services.

Understanding how environmental variables contribute to contrary events in the health care represents the focus of a development of architects, researchers, and clinicians. A systems near allows to evaluate error or contrary events in the context of organizational exposures. Environmental potential conditions undermine system defenses, setting the stage for active failures or establishing error-arousing conditions. For an example, multiple patient rooms that are more difficult to clean and have fewer easily accessible hand washing opportunities such as bathrooms, sinks and