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Effect of Relationships' Quality on Patients' Loyalty in Selected State Hospitals

Mohammad Aghily[1*], Mohammad Amin Bahrami[2], Razieh Montazeralfaraj[2], Babak Eshrati[3], Mohammad Ebrahim Eghbali Zarch[4]

[1] Department of Developing Health Network, Ashtian Health Care Center, Arak University of Medical Science, Arak, Iran
[2] Hospital Management Research Center, School of Public Health, Shahid Sadoughi University of Medical Sciences, Yazd, Iran
[3] Department of Epidemiology, Arak University of Medical Sciences, Arak, Iran
[4] Department of Health care Management, School of Public Health, Shahid Sadoughi University of Medical Sciences, Yazd, Iran

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***Corresponding Author:**
Mohammad Aghily
Department of developing health network, Ashtian Health Care Center, Imam khomaini Blv, shahid Bahoonar Street, Ashtian, Iran.

Email:
m.aghily@arakmu.ac.ir

Tel:
+98-86-37222730

ABSTRACT

Background: Given the competitive environment prevailing in the market, service organizations are looking for loyal customers and hospitals are no exception. In the meantime, attention to relationships' quality and establishment of long term relationships have an important role. The objective of the present study is to examine the effect of relationships' quality on loyalty of patients in selected state hospitals.

Methods: The present cross-sectional research was conducted in 2014 in selected state hospitals of Arak and Yazd. The population consisted of 160 patients in the selected hospitals. Simple random sampling was conducted to choose participants. Data were collected through two questionnaires; a part of Hon and Gruning's measurement of relationships questionnaire with four dimensions (satisfaction, trust, commitment, and mutual control) and loyalty questions as a part of the Parasuraman et al.'s behavioral tendencies with one dimension (loyalty dimension). Data were analyzed with $SPSS_{19}$ using Spearman correlation coefficient and regression.

Results: Results from Spearman correlation indicated a positive and significant relationship between relationships quality and loyalty (r = 0.722, P-value = 0.001). In addition, results from regression indicated that 60% of the variance of patients' loyalty is explained by satisfaction.

Conclusion: Findings revealed that strategies to improve the quality of relationships with patients could lead to loyalty in patients.

Keywords: Hospital, Relationship Quality, Loyalty

Citation

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Introduction

Today, increasing competitiveness is necessary for various reasons such as raising consumers' awareness, improving the technology level, rapid market change, constraints on the competition, and its globalization.

Experts believe that in all organizations especially service organizations, achieving organizational goals depends on identifying and determining the needs and wants of the target markets, meeting customers' needs in a better and more effective way than competitors, and gaining their loyalty. Like any other businesses, hospitals need to retain customers and gain their loyalty in order to be successful (1).

This goal will be achieved with the use of marketing techniques. However, hospitals do not look with favor on marketing and sometimes they consider it against professional morality. This is rooted in their lack of awareness about the marketing concept, while marketing is a comprehensive approach, with the aim of meeting customers' needs (2).

According to Kotler (3), marketing refers to human activities with the aim of satisfying needs and demands through the exchange process. The basic origin and elements of the marketing system include need and demands of human beings. Today, marketing is moving away from its traditional form while getting closer to relational marketing.

The concept of relational marketing was first used by berry (4) for service organizations as a strategy for attracting, retaining, and promoting relationships with clients. Gronroos (5) also provided a comprehensive definition for relational marketing, as the process of identifying, establishing, retaining, reinforcing, and ending relationships when necessary with customers and other stakeholders in a mutual interest so that goals of all groups are secured in this relationship. Relational marketing aims to build, maintain, and strengthen relationships with target customers to meet their objectives. Thus, it could be said that the communication process is in the core of a relational marketing (6).

Relationships' quality is one of the branches of relational marketing known as a set of intangible values leading to long-term relations between the parties (1,7).

Hening-Thurau and Klee (8) explained the quality of relationships between the organization and customers as the degree of relationship proportionality with regard to customers' needs involved in the relationship. Because of the importance of relational marketing in today' world of business, relationship quality is necessary to strengthen the relationships and promote customers' degree of satisfaction from supplementation of their demands and expectations.

To develop long relationships, good relationship quality can increase customers' reliability. In other words, higher relational quality causes interaction among service providers and customers while creating stable and longer-term exchanges in which both sides can gain common interests (7).

On the other hand, other organizations view establishment of beneficial and effective relationships with customers as the key to success. In fact, development of a mutually satisfying long-term relationship has been proposed as an asset (9). Shoemaker and Bowen (10) showed that a correct customer-organization relationship based on trust and commitment ultimately encourages the customer and leads to loyalty.

Although, there is no agreement over the dimensions of relationship quality, according to previous studies, relationship quality is defined by four dimensions including satisfaction, trust, commitment, and mutual control (11).

1. Mutual control: It refers to the extent to which the parties agree on legal power to influence each other. Although, some imbalance is normal, stable relations require organizations and people to have control over each other (12).

2. Satisfaction: Customers' satisfaction can be defined as their response to evaluation and experience of purchase and use a product or service compared with their expectations before purchase (7). Oliver also defines consumer satisfaction as "consumers' feeling about whether

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their needs, desires, and goals are met by application and whether this is followed by satisfaction" (13).

3. Trust: Sin et al. (14), define trust as one side's belief about reliability of the other side's statements and commitments. They also believe that higher levels of trust between buyer and seller will increase the possibility of continuing the relationship. Morgan et al. (15), define trust as tendency to rely and depend on the trustworthy partner.

4. Commitment: Commitment refers to the emotional relationship between people and organization (16). Hon and Gruning (17) maintain that commitment is the belief that each party possesses to the relationship and spends time and money for it.

Developing loyalty is the main objective of relational marketing activities (7). Oliver (13) defines the concept of loyalty as "deep commitment to repurchase or reselection of a preferable product or a service in the future, such that the same brand, or product will be purchased, despite the marketing impact and efforts of potential competitors.

Loyalty happens when customers feel that the organization can best meet their needs, so that rival firms are set virtually out of customers' considerations and they exclusively purchase from that organization (18).

Hospitals, like any other businesses need to retain customers and gain their loyalty to be successful. In fact, patient loyalty causes reduction of costs and increases revenues for hospitals (1). Mortazavi et al. (19), aimed at determining the relationship between patients' satisfaction and loyalty in private hospitals. They reported a significant positive correlation between patients' satisfaction and loyalty. Likewise, Shamsi et al. (16), in a study evaluated the relationship among customer loyalty programs, customer loyalty, and related components in pharmaceutical distribution companies and concluded that the three components of satisfaction, trust, and commitment are statistically and directly related to customers' loyalty.

The present study aimed at investigating the effect of relationships' quality on loyalty in selected state hospitals.

Materials and Methods

This cross-sectional research was conducted in four big state hospitals of Arak and Yazd in 2014. Data collection was performed through Hon and Gruning's measurement of relationships and Parasuraman, Zeithaml, and Berry's (20) customer behavioral tendencies inventory.

To assess the relationship quality, a part of Hon and Gruning's relationship assessment in public relations questionnaire was used which consisted of 18 items distributed in four dimensions of trust (6 items), mutual control (3 items), commitment (4 items), and satisfaction (5 items). The scoring is performed based on a 5-point Likert scale (strongly agree = 5, agree = 4, no opinion = 3, disagree = 2, strongly disagree = 1). Cronbach's alpha reliability of the scale was 0.96. Three relevant experts approved the face validity of the questionnaire.

To measure loyalty a part of the Parasuraman, Zeithaml, and Berry's (20) questionnaire was used which contains five items. The scoring was performed based on a 5-point Likert scale (strongly agree = 5, agree = 4, no opinion = 3, disagree = 2, and strongly disagree = 1). In Arab et al.'s study (21), the reliability of the questionnaire obtained by Cronbach's alpha method was 0.87. However, in the present study, the reliability was calculated as 0.89. Professors and experts in the field of management confirmed the content validity of the questionnaire.

The population included all patients in four major public hospitals of Arak (Vali Asr and Amir Kabir) and Yazd (Shahid Sadoughi and Shahid Rahnemoun). Cochran's formula was applied and 160 patients were randomly selected. The questionnaires were distributed evenly among the hospitals. Patients with a history of at least 3 days of hospitalization who wanted to participate in the study were selected. The questionnaires were completed at the time of release by the researcher. The patients were assured that all information collected will remain confidential.

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The data obtained were then analyzed via $SPSS_{19}$ (SPSS, Inc., Chicago, IL). For inferential statistics, regression and Spearman correlation coefficient tests were used.

Ethics approval of this project was 234889 in 2014.

Results

Descriptive statistics showed that 51.2 % of the participants were women (N = 82) and 48.8 % (N = 78) were men. The patients' age mean score was 37.5 ± 24.6 years.

The results indicated that there is a significant positive relationship between the relationship quality and patient loyalty in the selected hospitals (r = 0.722 and P-value = 0.001). Other findings also showed that a significant positive relationship exists between satisfaction and loyalty (r = 0.734 and P-value = 0.001). According to Table 1, the highest correlation is related to satisfaction.

The results of regression analysis showed that 60 % of loyalty variance is explained by dimensions of relationship quality (r^2 = 60%). In addition, for each unit of change in the variance of satisfaction, 0.720 units change in the variance of loyalty, reflecting a strong statistical correlation between satisfaction and loyalty (Table 2).

Table 1. Correlation coefficient between dimensions of relationship quality and patient loyalty

Variable	Correlation Coefficient*	P**
Trust	0.653	0.001
Mutual control	0.561	0.001
Commitment	0.558	0.001
Satisfaction	0.734	0.001

* Spearman correlation coefficient
**Significant at the 0.05 level

Table 2. Coefficients of the regression analysis for loyalty in terms of relationship quality in the selected hospitals*

Independent variable	B	Standard Error	β	P**
Trust	-0.030	0.093	-0.033	0.751
Mutual control	0.272	0.156	0.161	0.083
Commitment	-0.64	0.118	-0.45	0.590
Satisfaction	0.734	0.100	0.720	0.001

*Dependent variable: Loyalty
** Significant at the 0.05 level

Discussion

In service industries such as hospitals, attraction of new customers and retaining existing customers are among the most important issues of relational marketing. The quality of relationships has been proposed as a marketing tactic that benefits both sides. Therefore, the present study aimed at investigating the effect of relationship quality and its dimensions on loyalty of hospitalized patients in selected hospitals.

Based on the findings, among the four domains of relationship quality, satisfaction had the highest correlation with loyalty (r = 0.734 and P-value = 0.001), indicating the effect of satisfaction on loyalty as well as the necessity for hospital managers to attain patients' satisfaction. Bowen and Chen (22), as well as Taylor et al. (23), also found a positive relationship between satisfaction and attitudinal loyalty. They reported that a small change in customer satisfaction leads to a significant increase in loyalty.

Providing patients with high quality health services in addition to other facilities for patients and their entourage will be among the essential factors of patient satisfaction. Ghazavy (9) and Arab et al. (21), found that satisfaction has a positive and significant role in loyalty that is in accordance with the results of the present study.

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After satisfaction, the dimension of trust had the highest correlation with loyalty. Some studies, introduced loyalty as a result of trust and empirical evidences have shown the direct effect of trust on loyalty (16). The ability of hospitals to do what they promised, integrity in behavior, justice in treatment, and providing services proper to the patients will help strengthen this dimension and ultimately patients' loyalty. Ghazavy (9) and Hossein Zadeh Bahraini et al. (24), also indicated a positive and significant correlation between trust and customers' loyalty, which is in line with the findings of the present study. If patients trust a hospital, they will select it for future references or to propose it to others.

Commitment can be considered as the introduction of loyalty. Customers committed to their relationship with the service provider and continually use its services are more loyal (16). Bettencourt (25) showed a significant positive relationship between commitment and loyalty that is consistent with the findings of the current research.

Given the importance of meeting the needs and wishes of patients, hospital administrators must turn their attention to the issue of establishing and maintaining long-term quality relationships with customers which in turn will strengthen patients' sense of trust, commitment, satisfaction, and consequently loyalty. Hayatbakhsh Abbasi, et al. (26), indicated that building strong relationships between clinicians and staff is vital. Yousefi (27) introduced the quality of staff-customer relationships among the factors affecting customer loyalty. Hossein Zadeh Bahraini (24) observed a significant positive relationship between these two components, which is consistent with the findings of the present study.

Among the limitations of this study the fact that it was conducted in state hospitals can be mentioned. The generalizability of the results to other state and private hospitals should also be analyzed through further studies.

Conclusion

The results of such studies support the notion that hospital administrators should pay special attention to their internal and external relationships. Legal needs, attitudes, and requirements of patients should be considered in order to maintain long-term relationships with their customers and increase their loyalty to the hospital.

Along with providing quality services to patients, the nature of service organizations such as hospitals obliges them to pay special attention to the needs of patient's entourage and work to satisfy their needs as far as possible. Enhancement of staff communication skills in dealing with patients and their entourage should also be prioritized in the hospital. Considering information and reception units in guiding patients and their entourage properly is effective in increasing the relationship quality and loyalty levels. Medical staffs' justice in treatment and integrity in behavior can also help to increase patients' satisfaction, trust, and loyalty to the hospital.

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Conflict of interests

The authors declare no conflict of interests.

Authors' contributions

Bahrami MA designed research; Aghily M and Eghbali Zarch ME conducted research; Eshrati B and Aghily M analyzed data; and Aghily M, Bahrami MA and Montazeralfaraj R wrote the paper. Aghily M had primary responsibility for final content. All authors read and approved the final manuscript.

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