



Patient Experiences of Service Quality and its Impact on Satisfaction at B&B Hospital

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Abstract

Purpose: The research paper attempted to provide the consensus regarding the influence of perceptual service quality on customer satisfaction at B&B hospital in Lalitpur district.

Design/methodology/approach: Impact were assessed in 2024 in Lalitpur, Nepal by employing 186 samples with the help of convenience sampling method. Sample were selected from existing patients from the B&B hospital. Five-point Likert scale question were asked and the validity and reliability of the questionnaire were confirmed.

Findings: Measure of central tendency and dispersions, correlation and regression analysis were used through SPSS 25. Study found that the patients perceived better service quality in case of outpatient department of the hospitals, and services of the hospitals were found better based on the patient experience.

Conclusion: The study reveals that B&B Hospital meets patient expectations through high service quality, with physician consultation, perceived costs, and physical environment influencing satisfaction, highlighting the need for strategic enhancements.

Implications: The study implies that hospitals can boost patient satisfaction and attract more patients by investing in staff training, enhancing communication, creating a comfortable environment, and addressing service costs, thus differentiating themselves through targeted service improvements.

JEL Classification: I11, I13, I18

Introduction

Maintaining customer satisfaction is crucial and impact the loyalty, only the satisfied customer is more likely to remain loyal (Anderson et al., 1994). For better retention of customer, the loyal customer is required and for the loyalty the satisfaction is must. For customer satisfaction, service sector like hospital need to work on their services at first, if customer perceived better service then they retain and make repeat purchase and recommend the service to other. Satisfaction refers to the perception of customer regarding to the services they received compared to their expectation (Oliver, 1997). It reflects how a hospital provides services as per customer need or how they provide services beyond the customer expectation. Improved customer satisfaction typically improves the loyalty, increase recommendations and ultimately enhance business growth. Companies often use surveys, feedback forms, and other tools to measure and improve customer satisfaction levels (Arsita & Idris, 2019).

Service quality refers to the level of performance that meets or exceeds customer expectations. Providing high-quality service is crucial for businesses to retain customers, build loyalty, and maintain a competitive edge (Asnawi et al., 2019). Service quality is perceived better if customer meets their expectation or they received beyond their expectation. It helps in various business aspects such as; loyalty, and overall business performance.

Syah and Wijoyo (2021) studied and found significant role of service quality on the customer satisfaction and significantly impact on the number of customer visits. Similarly, study of Asnawi et al., (2019) also studied and found significant role of service quality provided by the hospital on the patients' satisfaction.



Lack of service quality can significantly impact customer satisfaction, particularly in areas such as treatment facilities. Service quality is a critical factor in case of customer perceptions, better service quality influence on satisfaction is well-documented (Parasuraman et al., 1988). However, despite this broad recognition, there still neglected some areas specifically which specific dimensions of service quality most heavily influence customer satisfaction (Lovelock & Wirtz, 2011). This paper attempted to provide an overview of the important elements of service quality and to assess their impact on customer satisfaction, helping businesses enhance their service delivery.

Literature Review

In the era of globalization customer satisfaction is key for success of service industry and there are several factors regarding to the service quality. Businesses need to understand such factors for improving their business through the improved customer satisfaction. For better customer retention, word of mouth and recommendation of service to other potential customer service sector need to focus on their service quality (Pouragha & Zarai, 2016; Zarei, 2015).

The service quality is assured if there was an optimum utilization of health care services. For the inquire, Niraula and Poudel (2019) studied the impact of effective and efficient management in case of shaping the customer satisfaction. For this study author incorporate 680 patients and the patients were randomly selected from 4 public and 6 private hospitals.

As per the study of Arsita and Idris (2019) found the cost related to hospital service are insignificant for shaping the patient satisfaction and surprisingly found the quality of service of hospital are crucial and statistically significant in shaping the customer satisfaction. Further communication with the patients was also significant which reduces the gap between the expectation and experience of patients. For the analysis author adopted the cross-sectional study by incorporating 117 patients from the Bhayangkara Hospital in Palembang.

Asnawi et al., (2019) also studied and found significant role of service quality provided by the hospital on the patients' satisfaction. Engaged customers, who actively participate in brand activities, provide feedback, and advocate for the brand, tend to have higher satisfaction levels and stronger relationships with companies (Doorn et al., 2020).

Price fairness and perceived value are also critical factors affecting customer satisfaction. Studies by Chen and Huang (2020) have shown that customers' perceptions of fair pricing and the value they receive from products or services strongly influence their satisfaction levels. Companies that offer competitive prices while maintaining perceived value are more likely to achieve high levels of customer satisfaction and loyalty.

Thapa (2021) studied and found overall satisfaction level of Eye Hospital, in Dang District of Nepal. For the study author focused on different dimension of service quality especially, tangibility, reliability, empathy, responsiveness, timeliness, and equality of care by conducting survey of 100 patients. Similarly, Syah and Wijoyo (2021) found that there exist positive and significant relationship between the customer satisfaction and service quality. Likewise, Dam and Dam (2021) study's current purpose of empirical research is to show link between service quality, brand image, customer satisfaction, and customer loyalty and have collected research data from 299 consumers.

Moreover, the concept of customer engagement has gained prominence in recent literature, emphasizing the importance of fostering emotional connections and meaningful interactions with customers (Hollebeek et al., 2021). Engaged customers are more likely to exhibit higher satisfaction levels, loyalty, and advocacy behaviors.

One significant area of study is the impact of service quality on customer satisfaction. Recent research by Li and Zhang (2021) found that service quality dimensions such as responsiveness, reliability, and empathy significantly contribute to overall customer satisfaction in the hospitality industry. This underscores the importance of consistently delivering high-quality service to meet customer expectations. Customers value companies that demonstrate ethical behavior, sustainability initiatives, and social impact efforts, leading to increased satisfaction and positive brand perceptions (Sen et al., 2022).

In addition to tangible factors, the role of emotional engagement and relationship management strategies in enhancing customer satisfaction has gained attention. Research by Kim and Park (2022) highlights the positive impact of emotional engagement, trust-building, and personalized communication on customer satisfaction and loyalty in the retail sector. Building strong emotional connections with customers fosters long-term relationships and enhances overall satisfaction.

Advancements in technology continue to shape customer satisfaction research and practices. Digital platforms, artificial intelligence, and data analytics enable businesses to personalize offerings, gather real-time feedback, and provide seamless customer experiences (Nguyen et al., 2023). These technological innovations play a crucial role in meeting evolving customer needs and enhancing satisfaction levels. Ethical considerations and corporate social responsibility (CSR) practices also influence customer satisfaction (Choi et al., 2023).

In nutshell, customer satisfaction remains a multifaceted concept influenced by service quality, price fairness, accessibility, proper consultation, physical environment and technological advancements. Understanding these factors and implementing effective strategies are essential for businesses to create positive customer experiences, drive loyalty, and achieve sustainable growth in today's competitive landscape.

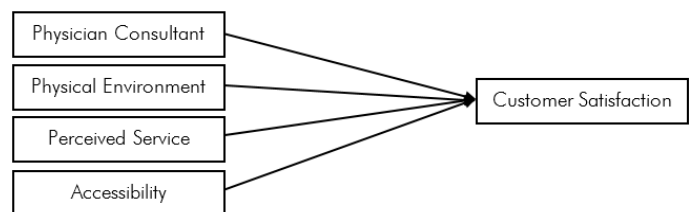


Figure 1: Conceptual Framework

Note. Author Computed, (2024)

Methods

Research Design

This study is based on the descriptive research design and causal comparative research design and fact finding through analysis of data. Primary data and required information were collected on research field and the obtained data was evaluated verified and synthesized to reach the conclusion.

Population and Sample

In this study, the population size is approximate 350 people visiting hospital on a daily basis. Researcher have taken a specific time frame (2:00 PM – 4:00 PM) for data collection for one-week average. Out of 350 people total of 186 respondents were used for the study. As per sampling method the convenience (non-probability) sampling technique was adopted. In other words, the respondents who are willing to provide information was selected and requested to fill up questionnaire.

Table 1: Sample Distribution/ Respondent Profile

Variables		Frequency	Percentage (%)
Gender	Male	103	55.38
	Female	83	44.62
Age	0 to 20 Years	43	23.12
	21 to 40 Years	61	32.80
	41 to 60 Years	49	26.34
	Above 60 Years	33	17.74
Income (NPR)	0 to 30,000	18	9.68
	30,001 to 50,000	73	39.25
	50,001 to 100,000	85	45.70
	Above 100,000	10	5.37

Note. Research field survey, (2024)

Data Collection Procedures and Instruments

The data was collected from primary source using a set of questionnaires to know about the customer satisfaction level. Research field was visited and a set of questionnaires was given to the respondents who were willing to provide information were selected and requested to fill up questionnaire.

Table 2: Measurement Source

Variables	Source	Expected Outcome
Physician Consultant	Four items were adopted from Zarei (2015)	Positive
Physical Environment	Three items were adopted from Zarei (2015)	Positive
Perceived Service Cost	Three items were adopted from Zarei (2015)	Positive
Accessibility	Three items were adopted from Zarei,- (2015)	Positive
Customer Satisfaction	Four items were adopted from Pouragha (2016)	Positive

Note. Author Computed, (2024)

Data Analysis Method

In this section multiple linear regression analysis is done to evaluate the relationship between the independent and dependent variable. SPSS version 25.0 was used as a tool for the analysis of the collected data.

The model of the study

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e_{it} \text{----- eq (1)}$$

Where,

Y_i = Customer Satisfaction of B&B Hospital

X_1 = Physicians' Consultation of B&B Hospital

X_2 = Physical Environment of B&B Hospital

X_3 = Perceived Service Cost of B&B Hospital

X_4 = Accessibility of B&B Hospital

β_0 = Constant (Autonomous Satisfaction Level of B&B Hospital)

$\beta_1, \beta_2, \beta_3,$ and β_4 are regression coefficients

e_{it} = Error term

Results and Analysis

This study was based on finding the impact of service quality on customer satisfaction at B&B hospital on the basis of primary data analysis collected from self-administrative questionnaire.

Table 3: Descriptive Statistics

Items	Statement	Mean	Std. Deviation
Physicians' Consultation (= 4.49)			
PC_Q1	Careful and complete examination of the patient	4.56	0.681
PC_Q2	Treating the patient politely	4.51	0.699
PC_Q3	Good describing of the recommended treatment plan to the patient	4.51	0.833
PC_Q4	Creating trust and confidence in the patient	4.38	0.818
Physical Environment (= 3.81)			
PE_Q1	Neat and clean environment	4.51	0.884
PE_Q2	Peace and managed clinic	2.48	1.588
PE_Q3	The waiting areas welfare facility	4.46	0.965
Perceived Service Cost (= 3.94)			
PSC_Q1	Reasonable and suitable visit cost	2.82	1.264
PSC_Q2	Providing quality service by the clinic as the money paid	4.54	0.942
PSC_Q3	Valuable service received from the hospital	4.48	1.082
Accessibility (= 3.88)			
A_Q1	Suitable clinic working Days and hours	3.73	0.637
A_Q2	Easy access to the clinic from all parts of the city	3.34	1.185
A_Q3	Multiple physicians and the right to choose for the patients	4.58	0.880
Customer Satisfaction (= 4.53)			
CS_Q1	Generally, I'm satisfied with the hospital and its service	4.51	0.800
CS_Q2	I will use the service of this hospital again	4.51	0.759
CS_Q3	I will say positive things about this hospital and its service to other	4.57	0.664
CS_Q4	I will recommend this hospital to my friends and relatives	4.54	0.728

Note. Field Survey, (2024)

In Table 3, some statistics were calculated regarding to the Physicians' consultation, physical environment, perceived service cost, and accessibility. In case of physicians' consultation, each of the 186 respondents submitted their responses in the five-point Likert scale. The table 3 shows that the items have a mean value 4.49. Here the mean value is ranging from 4.36 to 4.56. Additionally, the items have a standard deviation value ranging from 0.681 to 0.833. Similarly, in case of physical environment, the mean value was ranging from 2.48 to 4.51. Additionally, the physical environment related items have standard deviation ranging from 0.884 to 1.588. Similarly, in case of perceived service cost, the mean value is ranging from 2.82 to 4.54 and standard deviation ranging from 0.942 to 1.264. Similarly, mean value of accessibility was ranging from 3.73 to 4.58 and standard deviation was ranging from 0.637 to 1.185. Finally, the dependent variable customer satisfaction of B&B hospital was ranging from 4.51 to 4.57 and standard deviation ranging from 0.664 to 0.800.

The mean value of customer satisfaction was 4.53 which indicate sample customer have higher level of satisfaction in case of repeat visit and recommend B&B hospital service to others. Physicians' consultation has higher degree of mean value compared to other variables indicates for better consumer satisfaction the physicians' consultation is important though it is only applicable in the sample only for the population inference need to test the regression in further. All the Cronbach's Alpha value are greater than the 0.7 cut off criteria indicates the respondents understood the question and proves the reliability responses.

Table 4: Correlation Analysis

Variables	Customer Satisfaction	
	Pearson Correlation	Sig (2-tailed)
Physicians' Consultation	0.634**	0.000
Physical Environment	0.495**	0.000
Perceived Service Cost	0.593**	0.000
Accessibility	0.397**	0.000

Note(s). Field Survey, (2024); **. Statistically Significant at 1% level of Significant.

The table 4 shows Pearson Correlation, which includes coefficient of relationship of 0.634 implies statistically significant at 1 percent level of significant. Such positive degree of relationship implies that with the betterment of physicians' consultation, the more customer can be satisfied. Similarly, Pearson correlation coefficient between physical environment and customer satisfaction was 0.476 which is statistically significant at 1% level of significance. This proves that there is positive relationship between two variables i.e. physical environment and customer satisfaction. Similarly, the Pearson correlation coefficient between perceived service cost and customer satisfaction is 0.593 which was statistically significant at 1% level of significance. This proves that there is positive relationship between two variables i.e. perceived service cost and customer satisfaction.

Here we can conclude that with the reduction of perceived service cost, the more customer can be satisfied. Finally, The Pearson correlation coefficient between accessibility and customer satisfaction is 0.397 which was statistically significant at 1% level of significance. This proves that there is positive relationship between two variables i.e. accessibility and customer satisfaction. Here we can conclude that with the betterment of accessibility, the more customer can be satisfied.

Table 5: Regression Analysis

Variables	Unstandardized Coefficients Beta	Sig
(Constant)	6.398	0.001
Physicians' Consultation	0.396	0.001
Physical Environment	0.161	0.026
Perceived Service Cost	0.245	0.001
Accessibility	-0.011	0.900

Note(s). Field Survey, (2024)

*R-Square = 0.489; ANOVA (P-Value = 0.000)

In the case of positive and significant regression, shows a positive relation between the dependent variable i.e. customer satisfaction and the independent variables i.e. physician's consultation, physical environment and perceived service cost. It means that the maintenance in these independent variables i.e. physician's consultation, physical environment and perceived service cost helps to gain the satisfied customer. When the physicians provide a good consultation service; treat patient properly; proper diagnosis, guiding of proper treatment plan play a crucial role in patients' satisfaction. Hospitals that prioritize proper treatment plan, careful examination and guiding proper treatment plan are more likely to gain patients satisfaction. Hospital that has neat and clean physical environment and low cost for the service provided then it results in the more satisfied customer.

In the case of negative and significant regression, shows a negative relation between the dependent variable i.e. customer satisfaction and the independent variables i.e. Accessibility. It is because due to location of the hospital is fixed at one place but the patients requiring service might come from different geographical places. Location might cause the time consumption and increased cost while travelling which might cause a little dissatisfaction in the customers.

Discussions

Outpatient services is important for the hospital and this study covers the services of B&B Hospital and its relations with the patient satisfaction. The finding of this study; positive experiences of patients in case of outpatient services of hospital was significant as similar to the finding of (Pouragha, 2016). However, the accessibility factor's findings contradict with the findings of (Zarei, 2015). This results contradicts because it is a subjective factor and the distance between hospital and location of the patient is the main factor for determining this result.

Fulfillment of the factors like perceived service costs, physician consultation and physical environment creates satisfied customer similar to the findings of (Zaim et al., 2010). The study also reveals that with the betterment of physicians' consultation, the more customer can be satisfied. Similarly, the information plays vital roles in such consultation process. The study also supports the results of Doorn et al., (2020) argued that engaged customers, who actively

participate in brand activities, provide feedback, and advocate for the brand, tend to have higher satisfaction levels and improves the relationship with the customers.

Conclusion and Implications

The findings of this paper align with previous research, indicating that a majority of patients had positive experiences and rated the services as good. This suggests that B&B Hospital is effectively meeting the expectations of its patients in terms of overall service quality.

Similarly, perceived service costs, physician consultation, and physical environment emerged as significant determinants of patient satisfaction. This highlights the importance of addressing these factors to enhance the overall patient experience. The results of this study highlight the potential strategies for B&B Hospital to further improve outpatient satisfaction. By focusing on enhancing the quality of physician consultation, providing comprehensive information to patients, reducing costs or increasing perceived value, and improving the physical environment, the hospital can create a more satisfying experience for its patients. Ultimately, this study reinforces the critical role that service quality plays in determining patient satisfaction. By addressing the identified determinants and continuously monitoring and improving service quality, B&B Hospital can ensure a higher degree of patient satisfaction, which is essential for its long-term success and reputation in healthcare delivery.

This study offers valuable insights for both academicians and practitioners in the field of healthcare. It contributes to the existing body of knowledge on patient satisfaction in healthcare settings. The findings support the established relationship between service quality and patient satisfaction, reinforcing the importance of providing high-quality services to meet patient expectations. By identifying key determinants such as perceived service costs, physician consultation, and physical environment, the study contributes to a deeper understanding of the factors that drive patient satisfaction. Moreover, the study's findings challenge previous research on the role of accessibility factors in patient satisfaction. The results suggest that while accessibility may be a subjective factor, other factors, such as the quality of care provided, can have a more impact on satisfaction.

Similarly, the findings of this study have several practical implications for healthcare providers, particularly hospitals. By understanding the key determinants of patient satisfaction, hospitals can implement targeted strategies to improve their services and enhance patient experiences. For example, hospitals can invest in training healthcare professionals to improve the quality of physician consultation, provide patients with comprehensive information about their treatment options, and create a welcoming and comfortable physical environment. Additionally, the study's findings highlight the importance of addressing perceived service costs. Hospitals can explore ways to reduce costs or increase perceived value for patients, such as offering discounts or payment plans. By focusing on these areas, hospitals can differentiate themselves from competitors and attract more patients.

Limitations and Further Research

Like other survey research, this study to have several limitations. First, the research relies on cross-sectional data, capturing patient perceptions at a single point in time. This limits the ability to assess changes in patient satisfaction or service quality over time. Another limitation is the use of a single method of data collection, specifically a quantitative survey. While the survey provides measurable insights, it may lack depth in capturing patients' subjective experiences. Future research could incorporate a mixed-method approach, combining both quantitative and qualitative data.

Furthermore, the study's focus on only one hospital limits the generalizability of its findings. Future studies should consider expanding the scope to include multiple hospitals, both public and private, to allow for comparative analysis and enhance the robustness of conclusions. Additionally, the study examined only four factors: physician consultation, physical environment, perceived service costs, and accessibility. Future research could explore other important variables, such as the mediating role of patient trust or the moderating effect of hospital reputation on patient satisfaction. Patient demographics, such as age, gender, or socio-economic status, could also be considered to understand how different groups perceive service quality. Lastly, incorporating factors like hospital technology, digital communication, and patient safety measures could further enrich future studies. These elements are increasingly important in modern healthcare and may significantly influence patient satisfaction.

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