

An Analytical Study on Customers' Perceptions about Service Quality Dimensions of Private Hospitals in Nashik City

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Abstract: In today's dynamic environment every service organization is focusing on service quality gap analysis and achieving customer satisfaction through improving the service quality. This research paper thus focuses on analyzing the customers' perceptions of service quality dimensions about Private Hospitals using SERVQUAL model. The analysis is based on the service quality gaps identified by subtracting the expectations scores from perceptions of actually received services' scores. Outcomes of the study show that overall private hospitals in Nashik city are not able to fulfill the customers' expectations through its service performance hence, perceived service quality is poor. Major dimensions affecting the service quality are found to be reliability and responsiveness while the tangibility factor is least affecting the service quality of private hospitals. To achieve customer satisfaction private hospitals in Nashik need to deliver its services more reliably and responsively.

Keywords: - Service Quality, Perception, SERVQUAL, Access, Private Hospitals

I. INTRODUCTION

Services are different from the product due to their characteristics like intangibility, inseparability, inconsistency and perishable nature. This makes it more difficult to deliver good quality service every time the consumer undergoes service encounter. Service quality is intangible and difficult to measure, so service quality depends on customer perceptions and expectations. Quality is considered as a vital factor during utilization or purchasing of a service or product and it has been well-thought-out as a tactical advantage for organizations to gain and maintain accomplishment in the business world (Irfan & Ijaz, 2011). The analysis of service quality is a necessity for success in today's world. Service quality is considered to be most important factor in achieving sustainable competitive advantage in business and in turn improved customer satisfaction, customer retention, and profitability. It has been concluded by many researchers, that service quality is an indicator of customer loyalty. Service quality analysis helps in attracting new customers, spreading positive word-of-mouth improves employee satisfaction level and commitment, enhances corporate image, and reduces costs and boost organization's overall performance (Berry et al., 1989). Achieving edge in service quality brings sustainable competitive advantages to the organization (Gounaris, et al., 2003)

Healthcare sector is an integral part of the service industry and plays a vital role in the country's overall growth. Various trends are coming in this sector which is making it more difficult for the healthcare institutes to cope up with the competition. This study, therefore, is an attempt to analyze customers' perceptions towards the service quality of Private Hospitals located in Nashik Municipal Corporation area. SERVQUAL model is the tool utilized to analyze the service quality gap between customers' expectations and perceptions based on the dimensions of service quality namely tangibles, reliability, responsiveness, assurance and empathy.

II. Literature Review:-

Service quality - According to Grönroos (2001), service quality is the difference between customer expectations and perceptions as it is being received by the customer (Parasuraman et al., 1988). Service quality analysis has undergone addition of various contributions from management thinkers and researchers. According to Parasuraman et al. (1985), service dimensions were consolidated into five dimensions of service quality namely Tangibles, Reliability, Responsiveness, Assurance and Empathy. These dimensions are described as follows:

- (1) Tangibles – physical amenities, apparatus, the presence of personnel and communication materials.
- (2) Reliability – the ability of the service worker to perform the undertaken service responsibly and accurately.
- (3) Responsiveness – the readiness of employees to help and provide rapid service to customers.
- (4) Assurance – the understanding, politeness and capability of employees and their ability to instigate trust and assurance in the customer towards the service provider.
- (5) Empathy – the compassionate, customized and tailored attention provided to customers.

SERVQUAL model is used in various service sectors like banking, healthcare, education etc. to measure the service gap and these studies have been referred as guidelines by the researcher for implementing the model in this study.

Grönroos, (1982); Parasuraman et al., (1985) have proposed that customer's perception of service quality is based on the comparison of their expectations (what they feel service providers should offer) with their perceptions of the performance of the service provider. Parasuraman et al., (1988, p.17) point out that expectation is viewed otherwise in both satisfaction literature and service quality literature. In satisfaction works, expectations are considered as 'predictions' by customers about what will happen during a service encounter while in service quality literature, they are viewed as desires or wants of consumers, that is, what they expect service provider to provide not what he provides. For this study, the researcher has considered expectations as desires or wants of customers. It is important to understand and measure customer's expectations to identify any gaps in delivering services with quality that could ensure satisfaction, Negi, (2009). Perceptions of customers are based only on what they receive from the service transaction (Douglas & Connor, 2003). Parasuraman et al., (1985) identified some important determinants used in

assessing service quality; reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer, and tangibles. Most of these determinants of service quality necessitate the consumer to have some experience to evaluate their level of service quality.

III. OBJECTIVES OF THE STUDY

Study is based on following objectives.

- 1) To analyze customer perceptions about the service quality of private hospitals in Nashik Municipal Corporation area.
- 2) To determine the service quality gap using SERVQUAL gap analysis model
- 3) To identify the area of improvement in service quality dimensions

IV. METHODOLOGY

A cross-sectional study was conducted from January 2018 to March 2018 in 6 ward committees of Nashik Municipal Corporation area of Nashik city.

Research instrument: - A self-administered questionnaire was utilized as a research instrument. The questionnaire was divided into 3 parts; the first part contains questions relating to the expectations of the customer from a private hospital, the second part consists of the questions related to perceptions of customers about the various service dimensions and the third part contains the questions related to demographic characteristics of these respondents. SERVQUAL questionnaire was used to assess the patients' expectations and perceptions of service quality that included 21 items across 5 dimensions: tangibles (4 items), reliability (4 items), responsiveness (4 items), assurance (4 items) and empathy (5 items). A 7-point Likert-type scale was used, ranging from strongly disagree (1) to strongly agree (7) to access the level of expectations and perceptions of service quality.

Sample design and data collection: - Questionnaire was administered to collect primary data from citizens of Nashik. Samples were selected using a stratified sample selection method and within the strata, convenience sampling was used. 12 samples from Nashik East, 6 samples from Nashik West, 14 samples from Panchvati, 13 from Nashikroad, 9 from Satpur and 16 samples from New Nashik were drawn for data collection.

Table No 1. Ward Committee Wise Profile of Respondents

Sr. No	Answer	Count	Per cent
1.	Nashik East	12	17.14%
2.	Nashik West	6	8.57%
3.	Panchvati	14	20.00%
4.	Nashikroad	13	18.57%
5.	Satpur	9	12.86%
6.	New Nashik	16	22.86%
	Total	70	100%

Table No 2. Gender Wise Distribution of Respondents

Sr. No	Answer	Count	Per cent
1.	Male	38	54.29%
2.	Female	32	45.71%
	Total	70	100%

V. RESULTS

MS excel software and Questionpro Enterprise portal were used to analyze data. Calculation of service quality is done using the formula Service quality (SQ) = Perception (P) – Expectation (E). Table 3 to 7 represents the observed values of mean scores regarding perceptions and expectations of the respondents for private hospitals on the five service quality dimensions.

5.1 Tangibles

Expectations: Table 3 displays the mean expectation scores for proposed 4 items representing the tangibles dimension for 'Private Hospitals' and it were ranging from the highest 6.58 for — *Private Hospital should have state of the art infrastructure* - to the lowest 5.63 for — *Physical facilities like a consultation room, admission room, washrooms machinery are visually appealing*.

Perceptions: - the mean perception scores for Private Hospitals were above 6.06 –ranging from the highest 6.52 for — *State of the art infrastructure* to the lowest 5.76 for — *Modern looking equipment*.

Table No 3. Mean expectation (E), perception (P), and gap scores for Tangibility dimension

Dimension - Tangibility	Mean Values		Gap Score
	P	E	P-E
State of the art infrastructure.	6.52	6.58	-0.06
Visually appealing physical facilities	5.84	5.63	0.21
Clean physical environment	6.10	6.54	-0.44
Modern looking equipment	5.76	5.96	-0.20
Tangibility Overall	6.06	6.18	-0.12

Gap scores: 3 mean gap score values are negative meaning that expectations are not fulfilled by the perceived service of private hospitals. The overall gap score for Tangibility dimension is found to be -0.12 suggesting poor perceived service qualities. Highest gap score is observed to be -0.44 in - *Clean physical environment* – while a positive score is observed in - *Visually appealing physical facilities*.

5.2 Reliability

Expectations: Table 4 shows the mean expectation scores for all 4 items representing the “Reliability” dimension for ‘Private Hospitals’ was 6.20 –ranging from the highest 6.43 for — *Sincere interest in solving patients problems* - to the lowest 6.01 for — *Keeping records accurately*.

Perceptions: - the mean perception scores for Private Hospitals were above 5.79 –ranging from the highest 5.97 for — *keeping records accurately* to the lowest 5.57 for — *Service delivery at the promised time*

Table No 4. Mean expectation (E), perception (P), and gap scores for Reliability dimension

Dimension - Reliability	Mean Values		Gap Score
	P	E	P-E
Sincere interest in solving patient’s problems	5.85	6.43	-0.58
Service delivery at the promised time	5.57	6.11	-0.54
Performing the service right the first time.	5.75	6.26	-0.51
Keeping records accurately	5.97	6.01	-0.04
Reliability Overall	5.79	6.20	-0.42

Gap scores: All 4 mean gap score values are negative meaning that overall private hospitals are performing poorly in terms of reliability dimension of service quality. The overall gap score for ‘Reliability’ dimension is found to be -0.42 suggesting poor perceived service qualities. Highest gap score is observed to be -0.58 in - *Sincere interest in solving patients’ problems* – while the minimum negative score is observed in- *Keeping records accurately*.

5.3 Responsiveness:-

Expectations: Table 5 shows the mean expectation scores for all 4 items representing ‘Responsiveness’ dimension for ‘Private Hospitals’ was 6.24 –ranging from the highest 6.39 for — *Willingness of staff to always help patients* - to the lowest 6.09 for — *Staff’s business to give time to patients*.

Perceptions: - the mean perception scores for private hospitals were above 5.83 –ranging from the highest 5.91 for — *making information easily obtainable for the patients* to the lowest 5.65 for — *Promptness of service given by staff to patients*.

Table No 5. Mean expectation (E), perception (P), and gap scores for Responsiveness dimension

Dimension - Responsiveness	Mean Values		Gap Score
	P	E	P-E
Making information easily obtainable for the patients	5.91	6.35	-0.44
Promptness of service given by staff to patients	5.65	6.14	-0.49
The willingness of staff to always help patients	5.86	6.39	-0.53
Staff’s business to give time to patients	5.88	6.09	-0.21
Responsiveness overall	5.83	6.24	-0.42

Gap scores: All 4 mean gap score values are found to be negative indicating a gap in perceived service quality and expectation. The overall gaps score for ‘Responsiveness’ dimension is found to be -0.42 suggesting poor perceived service qualities. Highest gap score is observed to be -0.53 in - *Willingness of staff to always help patients* – while the minimum negative score is observed as -0.21 in- *Staff’s business to give time to patients*.

5.4 Assurance:-

Expectations: Table 6 shows the mean expectation scores for all 4 items representing 'Assurance' dimension for 'Engineering Private hospital' was 6.16 –ranging from the highest 6.21 for — *Staff behaves politely with customers* - to the lowest 6.10 for — *Staff's behavior instills confidence in patients*.

Table No 6. Mean expectation (E), perception (P), and gap scores for Assurance dimension

Dimension - Assurance	Mean Values		Gap Score
	P	E	P-E
Staff's behavior instills confidence in patients	5.97	6.10	-0.13
The customer feels safe in their transactions with the staff	5.88	6.17	-0.29
Staff behaves politely with customers	5.93	6.21	-0.28
The staff know to answer customer's questions	5.94	6.16	-0.22
Assurance Overall	5.93	6.16	-0.23

Perceptions: - the mean perception scores for private hospitals were above 5.93 –ranging from the highest 5.97 for — *Staff's behavior instills confidence in patients* to the lowest 5.88 for — *Customer feels safe in their transactions with the staff*.

Gap scores: All 4 mean gap score values are found to be negative indicating a gap in perceived service quality and expectation. The overall gaps score for 'Assurance' dimension is found to be -0.23 suggesting poor perceived service qualities. Highest gap score is observed to be -0.29 in - *Customer feels safe in their transactions with the staff* – while the minimum negative score is observed as -0.13 in- *Staff's behavior instills confidence in patients*.

5.5 Empathy:-

Expectations: Table 7 shows the mean expectation scores for all 5 items representing 'Empathy' dimension for 'Engineering Private hospital' and was 6.09 –ranging from the highest 6.19 for — *Private hospital has their patient's interest at heart* - to the lowest 5.96 for — *Operating hours of Private hospital are convenient to patients*.

Table No 7. Mean expectation (E), perception (P), and gap scores for Empathy dimension

Dimension - Empathy	Mean Values		Gap Score
	P	E	P-E
The private hospital gives patients individual attention.	5.88	6.20	-0.32
Operating hours of Private hospital are convenient to patients	5.88	5.96	-0.08
The staff gives patients a personalized service.	5.83	6.07	-0.24
The private hospital has their patient's interest at heart.	5.55	6.19	-0.64
The staff understands the specific needs of their patients.	5.76	6.01	-0.25
Empathy Overall	5.78	6.09	-0.31

Perceptions: - the mean perception scores for private hospitals were above 5.78 –ranging from the highest 5.88 for — *Private hospital gives patients individual attention* and *Operating hours of Private hospital are convenient to patients* to the lowest 5.55 for — *Private hospital has their patient's interest at heart*.

Gap scores: All 5 mean gap score values are found to be negative indicating a gap in perceived service quality and expectation. The overall gaps score for 'Empathy' dimension is found to be -0.31 suggesting expectations not fulfilled. Highest gap score is observed to be -0.64 in - *Private Hospital has their patient's interest at heart*. – While the minimum negative score is observed as -0.08 in- *Operating hours of Private hospital is convenient to patients*.

5.6 Overall service quality:-

Expectations: - 5 dimensions of service quality namely tangibility, reliability, responsiveness, assurance and empathy has a mean value of 6.17 representing expected service quality. These dimensions range between the highest values of 6.24 for 'Responsiveness' to a minimal value of 6.09 for 'Empathy'

Perceptions: - The perception values range between high of 6.06 for 'Tangibility' and lowest value 5.78 for 'Empathy'. Mean score of 5.88 is observed for overall service quality concerning perceptions of experienced service.

Table No 8. Mean expectation (E), perception (P), and gap scores for 'Overall Service Quality

Dimension - Empathy	Mean Values		Gap Score
	P	E	P-E
Tangibility	6.06	6.18	-0.12
Reliability	5.79	6.20	-0.41
Responsiveness	5.83	6.24	-0.41
Assurance	5.93	6.16	-0.23
Empathy	5.78	6.09	-0.31
Overall service quality	5.88	6.17	-0.30

Gap Scores: - Overall service quality gap score is observed to be -0.30 which denotes relatively poor performance against expectations. The overall service quality gap was narrow in 'Tangibility' dimension while the gap value was highest for 'Reliability' and 'Responsiveness'

VI. CONCLUSIONS AND DISCUSSION

The service quality dimensions measured through this study suggest that hospitals need to work on reliability and responsiveness dimensions of service quality to achieve customer satisfaction and customer loyalty. The recommendation status of the respondents suggests that there are still more than 30% of the patients who have never recommended these hospitals to others. These customers can prove that there is scope for improvement in service quality especially in areas where gap scores are observed to be highest. Mainly on 'Reliability' and 'Responsiveness' dimensions private hospital need to focus so that overall service quality gap score can be improved which will, in turn, improve service quality and customer satisfaction.

In terms of 'Tangibility' dimension, the overall service gap is less as compared to the mean value of overall service quality which can be interpreted as acceptable but has scope for the improvement. Tangibility dimension has minimum gap score in overall service quality dimensions and only positive score in terms of 'visually appealing facilities' on tangibility parameters, predicting institutes efforts on good infrastructure and facilities like classrooms, labs, computers etc.

'Reliability' and 'Responsiveness' are the two dimensions which have shown the highest gap scores value (-0.42) in terms of overall service quality. Observations related to 'Sincere interest in solving patients problems' and 'Willingness of staff to always help patients' is having the highest gap scores in 'Reliability' and 'Responsiveness' dimensions respectively. This implies that hospitals need to focus on devoting more time to solve patient's problems and should insist staff to put more sincere efforts in instilling the feeling of reliability and responsiveness in their service.

Overall this study has helped in understanding the service quality gaps in various service dimensions using the SERVQUAL model.

VII. LIMITATIONS AND FURTHER RESEARCH IMPLICATIONS

This study has focused on 'perceptions' of the patients about the services received from private hospitals from Nashik NMC area. 5 service quality dimensions are used to analyze the gap scores; further research can be done using more appropriate dimensions of service quality or maybe using more suitable methods/tools of service quality analysis. Here SERVQUAL was assumed to be the best suitable tool for the study which gives the scope of investing the usability of SERVQUAL as a tool to analyze service quality.

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