

Customer Satisfaction and Loyalty in Medical Tourism: An Overview

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Abstract

The exercise of travelling overseas for getting better medical services is becoming a major global event. Medical tourists are moving around the world to address health care issues with cost, access, and quality. Medical tourism is a form of tourism in which a tourist in the form of a patient travels overseas or another destination instead of their home destination for wellness, surgeries, therapies, spas and many health related activities like transplant, reproduction etc. The customer satisfaction positively effects on organization's profitability. Customer satisfaction leads to repetitive purchase thus increasing loyalty.

Keywords: Medical Tourism, Customer Satisfaction, Loyalty

Introduction

In recent decades, medical tourism as a new form of tourism has become popular due to several reasons such as growing demand for better health care, increasing healthcare costs, lengthy waiting lines etc. The medical industry is based on patients, patients are based on hospitals, and hospitals profitability is based on patient satisfaction. The key to sustain competitive advantage in today's competitive environment is to deliver high quality service. There is a positive effect of customer satisfaction on profitability of organization. As customer satisfaction leads to repetitive purchase, brand loyalty, and positive rumours, thus making satisfied customers the foundation of successful business.

Medical Tourism

Medical tourism have been defined by Connell (2006) as a popular mass culture ‘where people travel often- long distances to overseas destinations (such as India, Thailand, Malaysia) to obtain medical, dental, surgical care while simultaneously being holidaymakers, in a more conventional sense.’ According to the Ramirez de Arellano, (2007) medical tourism refers to “travel with the express purpose of obtaining health services abroad.” Medical tourism may be further categorized as: outbound where patients travel abroad for medical care; inbound where foreign patients travel to the host country for care and intrabound where patients travel domestically for medical care (Deloitte,2009). According to the United Nations Conference on Trade and Development (UNCTAD, 1988, p.13), ‘the global trend of increasing medical costs and decreasing public health care budgets, with the consequent reduction of health care coverage, may encourage a large number of patients to look for health treatments in countries where the ratio price/quality is more advantageous than at home’. To define medical tourism it can be said that it is a form of tourism in which a tourist in the form of a patient travels overseas or another destination instead of their home destination for wellness, surgeries, therapies,

spas and many health related activities like transplant, reproduction etc.

Customer Satisfaction and Loyalty in Medical Tourism

There are many studies that are focused at the effect of customer satisfaction on repetitive purchase, brand loyalty, and retention. There have been many times when researchers stress on the fact that satisfied customers influence others in order of perhaps five to six people. In contrast, dissatisfied customers are likely to tell at least another ten about their dissatisfaction with the product or service (Angelova&Zekiri, 2011).

Persons who have experienced company’s performance fulfilling expectations are the ones who have felt the outcome of customer satisfaction. The importance of customer satisfaction is highlighted by many researchers and scholars. According to many researches, customer satisfaction positively affects on organization’s profitability. There is huge experimental evidence that proves a positive relation between customer satisfaction, loyalty, and retention. Presently, all organizations are inclining towards noticing the importance of providing and managing service quality which then leads to customer satisfaction. Customer’s prior expectation is the determining factor for the standard of service quality’s meeting or exceeding of the expectations (Angelova&Zekiri, 2011).

Customer satisfaction has been defined by various studies and researchers as transaction process. Oliver (1981) defined satisfaction “as a summary of psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience” (pp. 24). In words of Kotler (2000) customer satisfaction as: “a person’s feelings of pleasure or disappointment resulting from comparing a product perceived performance (or outcome) in relation to his or her expectations”. According to Hansemark and Albinsson (2004) “satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire”. Customer loyalty has a vital role in organizations growth and their performance. The repeat business comes with loyalty (Angelova&Zekiri, 2011). A loyal customer continues to buy the same brand, wants to buy more and even happy to suggest others to buy the same brand. (Hepworth & Mateus, 1994). Oliver (1999) defines loyalty as “A deeply held commitment to re-buy or re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviour” (cited by Kotler, 2000).

According to Jacoby and Chestnut (1978), loyalty has been measured in accordance with following three approaches: (1) the behavioural approach, (2) the attitudinal approach, and (3) the composite approach. The behavioural approach defines loyalty as real consumption, as a series of purchase (Brown, 1952), as part of market share (Cunningham, 1956), as possibility of purchase (Frank, 1962), as duration, as frequency and as intensity (Se-Hyuk, 1996; Brown, 1952). It was noted that this behavioural approach only produced static outcome of a rather dynamic process (Dick & Basu, 1994). Whereas, according to the attitudinal approach, loyalty goes beyond what is apparent behavior and defines loyalty in terms of consumer’s power of attachment towards a brand (Backman & Crompton, 1991a). Composite approach of loyalty defines it to be mixture of behavioral as well as attitudinal dimensions. Day (1969) argues that a consumer must not only purchase a brand but should also have a positive approach towards it to be truly loyal. This composite approach has been utilized many times in recreational settings (Backman & Crompton, 1991b; Pritchard & Howard, 1997). This approach might seem to deal with all the components of loyalty, but it may not necessarily be the most practical one. This approach has serious inherent limitations, simply because it has components of both

behavioral and attitudinal components and thus also their limitations.

As the purchase of a tourism product is anyways rare, it is difficult to measure loyalty in tourism context (Oppermann, 1999). A purchase of tourism product occurs rather occasionally and not on a continuous basis (Jago & Shaw, 1998). It can also be hidden behaviour as to be shown in willingness to revisit in the future (Jones & Sasser, 1995). Therefore, we use attitudinal loyalty while studying medical tourism, it refers to commitment in behavior which is proved by inclination to take part in a particular recreational service (Backman & Crompton, 1991a), which is tourist's willingness to revisit and their suggestion to others (Oppermann, 2000). Jones and Sasser (1995) also support this definition by arguing that willingness to repurchase is a strong indicator of one's future behaviour. Except for the intention to revisit, some researchers are also using recommendation to others to be a measure of attitudinal loyalty (Chen & Gursoy, 2001; Oppermann, 2000). Patient's lookout of the services they receive, finally affects their understanding of overall healthcare centre and host country where they were treated. The better services that patients understand will make further chances for healthcare service providers and policy makers to exhibit the country as a popular medical tourism

destination and lure other international medical patients.

Among all the medical tourism providers, most probable places for providing medical tourism are Asian nations such as Singapore, Thailand, Hong Kong, Malaysia, Philippines and India because of their natural resources and superb quality services along with low prices (Kandasamy & Rassiah, 2010). Customers are in position of saving up to 40 to 60 percent in the Asian countries when compared to US or western countries due to cheap labour availability (Herrick, 2007). Still, due to the vast competitive market, the overall hospitality industry is under intense pressure (Smith, 2006). Furthermore, as customers are core for the business success, their satisfaction has become very important for the industry in order to remain competitive. As a part of the general hospitality industry, medical tourism is also required to specially focus on their customers in order to continue into future.

Some people are of opinion that customer satisfaction leads to recognition of service quality, whereas there are others who think that service quality leads to customer satisfaction. Additionally, the connection between customer satisfaction and service quality and their interrelation in purchasing behaviour is greatly unexplored. Service quality is a key factor for customer satisfaction, which is the basis for true loyalty.

Greatly or even remotely satisfied customers are likely to become loyal promoters of a firm, increase their purchase from one supplier, and spread positive word. Dissatisfaction, on the other hand, pushes away customers and is responsible for switching behaviour (Lovelock & Wirtz 2007,). Service quality has been defined by Bitner, Booms, Mohr, (1994) as “the consumer’s overall impression of the relative inferiority/superiority of the organization and its services”. According to Parasuraman, Zeithaml, Berry, (1985) service quality as a “function of the differences between expectations and performance along the quality dimensions”.

In a healthcare situation, consumers incline to count on service process functional side (e.g. doctors' and nurses' behaviour towards patients and service waiting time) while assessing service quality, as, in general, patients lack the skill to assess the technical quality (e.g. diagnosis accuracy and follow-up treatment and procedures) (Babakus&Mangold, 1992; Wong, 2002). It has been observed that patient satisfaction and quality of healthcare services are interconnected. In Western countries, it is evident that people are ready to pay more for services from good institutions that would be more likely to satisfy the needs of customers (Boscarino, 1992). John (1992) also proposes that in order to satisfy their patients, healthcare providers are providing better service quality.

As a matter of fact, problems related to access and performances have been solved using satisfaction surveys using them as management tools. Also they have been helpful governmental agencies in locating target groups, simplifying aim, defining measures of performance, and developing information system for performance (Langseth, Langan&Talienco, 1995). Additionally, it is suggested by modern healthcare studies that patient satisfaction is a great concern which is interrelated with strategic plan in the health services (Gilbert, Lumpkin &Dant, 1992).It has been also noted that even in developing countries’ designed services should give a way to patient satisfaction.

Eventually everyone needs some sort of medical service or product. Nevertheless, until not so long ago, only sick people were considered as consumers of health products however after 1990’s “the emphasis shifted from sick people to well people” (Thomas, 2011). What motivates people to approach healthcare institutions is not just diagnosis, prevention and treatment of disease, but also the will to improve quality of life and wellbeing. The new age of healthcare consumers that includes patients, their families, and other potential consumers are more demanding in terms of improved service quality, more satisfaction, less medical error

and to prevent diseases (Lee, Lee, Kang, 2012). Hence, it can be said that focus should be more on service quality because if customers or patients find best services in their treatment they will be more satisfied and consumer satisfaction leads to loyalty.

The recent studies (in the developed countries), however, focus more on the necessity of the patient's perspective. The importance of insights that patients can give is now starting to be recognized by hospital administrators, insurance companies, community groups, and researchers. As reported by O'Connor, Shewchuk, Carney, (1994), "It's the patient's perspective that increasingly is being viewed as a meaningful indicator of health services quality and may, in fact, represent the most important perspective". At the very least, patient's perspective (however subjective they may be) can help service providers to understand and form the reasonable standards of service that should be catered to reduce patient's suffering. These findings are proof that improvement level of service quality of healthcare centre is greatly influenced by patient's overview and perspective of perceived service. Therefore, it showed that some surveys were conducted to access the actual needs and factors that determine patient's satisfaction in clinical care environments. Around 1960's and

1970's, patients' satisfaction was thought of as an important factor that affected the clinical outcome as well as leading to a genuine right for patients to access the best quality services in hospitals and clinics (Donabedian, 1980 & Vuori, 1987). Accordingly, patient satisfaction was also used as an important factor while measuring the service quality.

If one wants to measure performance, patient satisfaction is considered a crucial outcome. It has been differentiated from service quality as "While they have certain things in common, satisfaction is generally viewed as a broader concept while service quality assessment focuses on dimensions of service" (Zeithaml & Bitner, 2000, p. 74). Chakrapany (1998) also talks about a similar difference. Furthermore, according to the studies service quality measures have been related to satisfaction with hospital services (Reidenbach & Sandifer-Smallwood, 1990; Taylor & Cronin, 1994; Babakus & Mangold, 1992), implying that one of the major goals of any organization is providing satisfaction.

Conclusion

Even though many concepts of satisfaction have emerged over past few decades, the general agreement among researchers is that individual satisfaction is an evaluation of overall experience of consumption. If the experience of the customer of overall consumption is good enough, it increases their

will to repurchase along with satisfaction level.

Additionally, the patient's experience and cognizance of quality of the service that are availed in healthcare centres has become a valid and trusted factor which help the managers and policy makers to evaluate their organization's quality of service basing it on their customers' feedback. Therefore, in the medical tourism market, acknowledging important factors in medical tourists' repurchase decision-making processes and appreciating their certain role are becoming more and more important for any host country and its attendant medical service providers.

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