

RELATIONSHIP MARKETING, OVERALL CUSTOMER
SATISFACTION AND LOYALTY IN HEALTHCARE SERVICES:
EVIDENCE FROM
ST. GABRIEL GENERAL HOSPITAL

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By
Melkamu Adamu


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School of Graduate Studies

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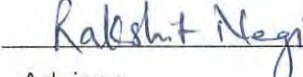
By
Melkamu Adamu

College of Education & Behavior Studies
Department of Business Education


Approved By Board of Examiners:



Chairman,



Advisor



External Examiner



Internal Examiner



Signature



Signature



Signature



Signature

ADDIS ABABA UNIVERSITY
COLLEGE OF EDUCATION
DEPARTMENT OF BUSINESS EDUCATION
ADDIS ABABA, ETHIOPIA

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Abstract

The main objective of this research is to examine the impact of relationship marketing underpinnings namely trust, commitment, communication, conflict handling, reliability and concern on patient-hospital relationship quality and overall patient satisfaction. Additionally, an attempt was made to examine the role of firm-customer relationship quality and overall satisfaction in determining patient loyalty.

A structured questionnaire addressing the issues of relationship marketing, customer satisfaction, and loyalty was developed while adopting some of the statements from previous researches, and modified to best fit with healthcare sector.

A sample of 300 respondents (patients) was drawn by using systematic random sampling technique. Factor analysis, correlation and multiple regression analyses together with descriptive statistics were used to analyze the data. A model showing the effects of relationship marketing constructs on both firm-customer relationship quality and overall patient satisfaction was developed. Furthermore, influence of relationship quality and overall satisfaction was observed, empirically, in estimating patient loyalty at St. Gabriel General Hospital.

The findings of the study indicate that conflict handling and commitment have significant positive effects on both relationship quality and overall satisfaction. Communication was found to be significantly contributing to relationship quality and trust to overall patient satisfaction. Also, firm-customer relationship quality and overall patient satisfaction were reported to influence, significantly, patient loyalty. The findings of the study are helpful to the hospital in developing effective strategies for enhancing patient's loyalty based on the hospital-patient relationship quality and satisfaction delivered.

CHAPTER ONE

Introduction

This chapter provides the setup basis of the research. An introduction and general background are provided in order to describe the area in which the study is conducted. Further, a justification on the importance of the specific research, its objectives, and scope and limitations are provided.

1.1 Background of the Study

Business organizations, especially service organizations, now-a-days, are fighting tough with each other. The intensity of competition increases rapidly and some companies reach overcapacity in their performance. This shows that acquiring new customers and/or taking customers from competitors are difficult tasks for marketers. Thus, today's firms increasingly accept the importance of building stronger firm-customer relationship as a strategy for winning the rivalry. That means, because of the existence of strong rivalry in today's companies, there has been a shift from a transaction to a relationship focus, and from a theoretical perspective that focused on series of market transactions to long-term customer relationships (Webster, 1992). Therefore, the idea of relationship marketing goes beyond traditional marketing approach. It places large emphasis on building valuable customer relationship with an intention to retain customers.

The role of relationship marketing is to identify, establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all other parties involved are met; and that this is done by a mutual exchange and fulfillment of promises (Roger et al., 2005). The objectives of relationship marketing also includes the delivery of sustainable or increasing levels of satisfaction, and the retention of those customers by the maintenance and promotion of the relationship (Ravald and Gronroos, 1996). As Ndubisi (2007) reported, through strong firm-customer relationship, firms can gain invaluable information on how best to serve customers and keep them from defecting to competing brands. Hence, by building stronger relationship with customers, an organization can also gain quality sources of marketing intelligence for better planning of marketing strategy that brings

customer satisfaction and loyalty. This helps the firm to increase its profits by reducing promotional and transactional costs. Thus, to enhance the hospital's profitability and develop a bright future to the hospital, the marketing manager of the hospital should develop long-term relationships with its patients. To do so, relationship marketing is here as a tool. Hence, relationship marketing is the essential and crucial task of today's companies marketing managers.

The effectiveness of relationship marketing in achieving the firm's objectives is highly depends on relationship quality. Firms which able to develop and maintain high quality relationship with its customers can increase the satisfaction and loyalty levels of customers. In other words, as the level of relationship quality increases, the level of customers' satisfaction and loyalty increases. Building quality relationship with the customers also helps the firm to understand its customers' needs in a better way so as to improve its overall service quality. To develop competitive strategy that brings customer satisfaction and loyalty through relationship marketing requires the need of understanding the constructs of relationship quality. However, little is understood about the key antecedents of relationship quality and actual contribution of each of these from relationship marketing viewpoint.

Therefore, it is important to empirically examine the actual impact of the underpinnings of relationship marketing on relationship quality and customers satisfaction. Such understanding will assist in developing better relationship quality and in achieving higher level of satisfaction and loyalty among customers. Negi (2010) identifies the impact of trust, commitment, communication and conflict handling on relationship quality and customer satisfaction in Ethiopian Telecommunication Industry. In his study, Negi (2010) considers customer satisfaction as a contribution factor or building block of relationship quality. However, this research study explores the impacts of overall relationship quality on customer satisfaction and loyalty in healthcare industries and considers relationship quality as a building block of customer satisfaction. In addition to these, this research identifies the impacts of the four underpinnings of relationship marketing (trust,

commitment, communication, and conflict handling) on relationship quality and customer satisfaction. This study also explores the impact of customer satisfaction and relationship quality on customer loyalty.

St. Gabriel General Hospital (SGGH) is selected for identifying and empirically testing the factors contributing to customers' satisfaction and loyalty in relating to relationship marketing. Thus, to understand relationship marketing in modern arena, the study will attempt to investigate the perceptions of patients towards relationship quality as maintained by SGGH.

SGGH is the first private Hospital in Ethiopia. It was established in 1992 at Addis Ababa and entered in operation in 1995. The hospital is currently providing its medical services for both outpatient and inpatient on 24 hours basis, throughout the week. It is designed to provide medical treatments and health care services for 36,000 outpatients, 3,600 inpatients, and 21,000 laboratory and radiology services annually.

1.2. Statement of the Problem

It is not uncommon to hear that many companies say our customers are the central focus of our company. Many marketing managers believe that relationship marketing can increase the profits of the company by reducing promotional and transactional costs. Hence, companies' marketing managers want to build strong positive long-term relationship with their profitable customers. To do so, knowing and understanding the constructs of relationship marketing and their role on customer satisfaction and loyalty is the primary task of marketing managers. However, these marketing managers implement relationship marketing programs ineffectively due to lack of commitment, poor communication, weak conflict handling system, lack of developing trust, lack of understanding the impacts of relationship quality on customer satisfaction and/or concentrating on traditional marketing.

Building stronger customer relationships may require a fundamental change in the way they manage their relationships with customers. Since healthcare service is highly intangible and requires more personal contact, relationship

marketing must be implemented in a way that it builds high trust, value, and satisfaction. To take competitive advantage in the area, the hospital should build loyal customers by improving relationship quality and increasing overall patient satisfaction by delivering superior service quality. SGGH as a business company must implement relationship marketing in an effective way to get the needed benefits.

The study attempts to answer the following:

- How each of the four relationship marketing underpinnings affects relationship quality and customer satisfaction in SGGH?
- Is there any association between patient-hospital relationship quality and overall patient satisfaction?
- What role patient-hospital relationship quality and overall patient satisfaction maintain to predict patient loyalty?

1.3. Objectives of the Study

The general objective of the study is to describe how relationship marketing underpinnings contribute for the development of quality firm-customer relationship and overall satisfaction in a way that builds loyal customers.

The specific objectives of this study include:

- To identify the impact of trust, commitment, communication and conflict handling on relationship quality and overall customer satisfaction in a healthcare settings;
- To identify the association between relationship quality and overall customer satisfaction in healthcare services;
- To explore the role of relationship quality and patient satisfaction in predicting patient loyalty.

1.4. Significance of the Study

The study of the influencing factors on relationship quality, customer satisfaction and loyalty is attached to the attempts of the stated hospital under the study. Therefore, the findings of this study have the following significances for different concerned bodies.

- It may help the management of the hospital to build quality relationship that helps to improve or maintain overall service quality and brings customer satisfaction and loyalty ;
- It may encourage employees and other officials of the hospital to be involved in strengthening the implementation of patient-hospital relationship management as their hospital's strategy;
- It may initiate other interested researchers to carryout more extensive studies in the area;
- It may add knowledge for those who are engaged in the area.

1.5. Delimitation of the Study

Since competition is stiff in modern business, relationship marketing is essential to make the company profitable and competent. Managers can increase the profit of their company and reduce promotional and transactional costs by developing satisfied and loyal customers. Customers become satisfied and loyal if the company able to build strong positive relationship with customers. Hence, the company can develop and improve the quality of firm-customer relationship if its marketing manager understands the constructs of relationship marketing and their contribution on relationship quality, customer satisfaction and loyalty. However, the success in this regard differs from company to company and from industry to industry.

Therefore, this study confines itself in identifying how relationship marketing works in SGGH. Even though relationship marketing is affected by many underpinnings, this study is conducted to examine the impacts of only the four underpinnings (namely trust, commitment, communication, and conflict handling) of relationship marketing on the quality of firm-customer relationship, and comparing the significance of the effects of each of these factors on relationship quality and customer satisfaction that further leads to customer loyalty in a healthcare services.

1.6. Limitations of the Study

Although the objectives of the research were met, at least two limitations were identified in the course of this study. First, the study focuses only on healthcare services and the data were collected from one hospital. This could limit the generalization of the findings to the entire service sector, even to other healthcare service providers/hospitals. However, this limitation creates an opportunity for future research in this area.

The other limitation of the study is that it focuses only on the effects of some of the relationship marketing underpinnings on relationship quality and overall satisfaction. That means it did not see the effects of other underpinnings like value, competence, etc. Also, the study is limited to investigate the effects of relationship quality and overall satisfaction on customer loyalty.

CHAPTER TWO

Review of Related Literature

The literature part of the study begins with examining the nature of healthcare services, followed by a discussion on the definition and emergence of relationship marketing. Constructs of relationship quality and customer satisfaction are identified, and contribution of relationship quality and customer satisfaction is seen in developing loyal customers.

2.1 The Nature of Healthcare Services

Like other services, healthcare is inherent to intangibility, heterogeneity and inseparability features (Conway and Willcocks, 1997). Healthcare is dynamic by its nature. Thus, considerable customer changes have taken place and competition is increasing (Gilbert et al., 1992). Consequently, healthcare quality evaluations raise problems owing to service size, complexity, specialization and expertise within healthcare organizations (Eiriz and Figueiredo, 2005). Its intangibility and inseparability nature also creates difficulty in measuring and evaluating healthcare service's quality.

Healthcare by nature is a credence purchase (Butler et al., 1996). Patients may be unable to assess medical service's technical quality accurately; hence, functional quality is usually the primary determinant. Also, healthcare quality is more difficult to define than other services such as financial or tourism mainly because it is the customer himself/herself and the quality of his/her life being evaluated (Eiriz and Figueiredo, 2005). Some authors suggest that healthcare quality can be assessed by taking into account observer, i.e. friends and family perceptions. Moreover, these observer groups represent potential future customers and major influencers of patient healthcare choices (Strasser et al., 1995).

Therefore, healthcare providers should design strategies that influence the functional quality of their service. Improving relationship quality that brings customer satisfaction and good word of mouth helps the hospital to influence the functional quality of the service provider. Thus, relationship marketing must be implemented as a strategic tool.

2.2. Relationship Marketing: Conceptual Background

The development of customer relationships is being seen as increasingly important in a range of markets and particularly so in organizational and service markets (Bejou et al., 1998). Health care services could be considered as one of such markets. The intangibility and inseparability characteristics of services together with other factors like the relatively high degree of perceived risk create a need for relationship-based approaches to marketing. Therefore, the development of effective and satisfactory customer relationships is of particular importance in the marketing of all services in general and health care services, in particular. The underlying reason behind the need for relationship marketing is that it enables organizations to enhance customer satisfaction and thereby customer loyalty by improving relationship quality and doing so can enhance their performance (Berry, 1995).

Moreover, as the size and numbers of firms increased, competition among them has intensified and markets came highly matured. As a result, increasing market share through the acquisition of new customers or stealing them from other firms becomes a difficult task. Meanwhile to minimize or avoid these problems the concept of relationship marketing was built as a solution parallel to traditional marketing. And finally, as many of exchanges, particularly in the service industry, were relational by their nature, the concept of relationship marketing was emerged as an alternative to the traditional marketing which focuses on series of transactions (Gummesson, 1987). By implication focusing on relationship building is an invaluable alternative to make both parties beneficiary.

Following the development of numerous researches in the area of relationship marketing, there have been various attempts to define relationship marketing. However, there is no universally accepted definition that reflects the diverse research traditions which have contributed to relationship marketing. While such a diversity of perspectives can offer many advantages, there is also the risk of creating confusion and for some this continues to be a weakness associated with relationship marketing (Harker,

1999; Lindgreen, 2001). Then after, definitions have developed in to the extent that they give comprehensive meaning to the concept of relationship marketing. For example Gronroos (2000, p.26) defines relationship marketing as:

“The process of identifying and establishing, maintaining and enhancing, and when necessary terminating relationships with customers and other stakeholders, at profit so that the objectives of all parties are met. This is achieved through a mutual exchange and fulfillment of promises.”

This is one of the widely-known definitions of relationship marketing which integrates both transactional and relational views and as such provides a broad perspective which can accommodate a variety of views on the specific nature of relationships. It is this definition which implicitly provides the basis for subsequent discussions throughout this research work. From this definition one can understand that relationship marketing has been put forth as a way for firms to develop mutually beneficial and valuable long-term relationships with customers. Thus, relationship marketing aims at increasing customer profitability while providing better services.

Relationship marketing is believed to work most effectively when customers are highly involved in the goods or services delivery process and are willing to engage in relationship building activities (O'Malley and Tynan, 2000). That means both parties want to stay within the relationship tie for a long period of time and even try to strengthen it if both of them are beneficiaries from the relationship. Therefore, firm-customer relationship requires commitment for the relationship, promise fulfillment to create customer satisfaction, overall company trustworthiness, and effective communication between the firm and the customer. These are some of the underpinnings or building blocks of relationship marketing. The development of an effective relationship between the service users (in our case, patients) and the service provider (in this case the Hospital) requires the need to understand the constructs of relationship marketing.

2.3. Relationship Marketing Underpinnings

Unlike public sectors, which are mostly monopolistic by their nature, all today's private companies, which rely on profit, need to be familiar with the factors that lead to good customer relations (Cartwright, 2000). Scholars investigate a wide variety of relationship-relevant variables. Among those many variables or constructs commitment, satisfaction and trust are consistently identified as focal constructs of relationship marketing in multiple studies (Doney and Cannon, 1997; Moorman et al., 1993; Morgan and Hunt, 1994). There are also many research works that regard communication as a construct of relationship marketing (Anderson and Narus, 1990; Garbarino and Johnson, 1999; Hunt et al., 2002; Wilson, 1995). In addition to these, few scholars consider conflict handling as a key construct of relationship marketing (Ndubisi, 2007). This study considers all these as antecedents of relationship marketing.

In general, identifying the underpinnings of relationship marketing and understanding how they affect the firm-customer relationship quality is paramount to implement relationship marketing strategies in a way that helps the firm to achieve relationship outcomes (customer satisfaction and customer loyalty).

2.4. Relationship Quality

Previous studies of relationship quality have discussed and tested the concept of relationship quality in various research contexts. Accordingly, the definition of relationship quality differs from research to research based on their context. However, many of those research works consider it as a measure of strength in relationship (i.e. as measure of the degree of relationship continuity and relationship enhancement).

According to Gummesson (1987) relationship quality is defined as the quality of the interaction between a customer and a supplier, and it can be interpreted in terms of accumulated value. Hennig-Thurau and Klee (1997, p.751) also defines the term as "the degree of convenience that a relationship has for a customer when satisfying his or her needs". In this

respect it is understood as the degree of suitability of a relationship to fulfill the needs of the customer associated with the relationship. Furthermore, Bejou et al. (1998) defines relationship quality as the consumer's evaluation of the strength of firm-customer interactions. As Berry and Parasuraman (1991) states in their research work, the ultimate goal of relationship quality is to strengthen already strong relationships and to convert indifferent customers into loyal ones. Thus, relationship quality consists of relationship continuity and relationship enhancement. It basically captures the positive/negative natures of a relationship, which in turn provides positive benefits to the customer. Therefore, relationship quality can serve as a measure of the strength of relationship between a firm and its customers and as a factor for the building of loyalty. As to Negi (2010) relationship quality determines how strong the relationship is between both parties within the bond.

2.5. Common Constructs of Relationship Quality and Customer Satisfaction

Even though the indicators vary depending on each study's specific context, many researchers typically conceptualize relationship quality as a higher-order construct composed of trust, commitment, satisfaction, communication, and conflict handling as first order constructs. Dorsch et al. (1998), for instance conceptualize relationship quality as being indicated by trust, commitment, and satisfaction. Similarly, Crosby et al. (1990) identify satisfaction and trust as key constituents of relationship quality. Hewett et al., (2002) and Hibbard et al., (2001), more recently describe relationship quality as a higher-order construct with trust and commitment as first-order constructs.

Moreover, Eggert and Ulaga (2006) consider trust, commitment, and satisfaction as key characteristics of relationship quality. Ndubisi and Chan (2005) found a significant relationship between conflict handling and relationship quality indirectly through trust. The ability of the firm to handle conflict well also directly influences relationship quality (Kumar, et al. 1995). Not only trust, satisfaction, and commitment but also conflict handling directly

influences firm-customer relationship quality (Roberts et al., 2003). According to Dorsch et al.s (1998) relationship quality is also directly influenced by the ability of the firm to communicate its customers. However, all these underpinnings did not have the same degree of influence on relationship quality.

Also, some other studies argue that trust, commitment, conflict handling and communication as key constructs of customer satisfaction. For example, Selnes (1998) considers communication, commitment, and conflict handling as key constructs of customer satisfaction. Ball et al. (2004) and Naidu (2009) consider communication, and Bejou, et al., (1998) also consider commitment and trust as key constructs of customer satisfaction.

Based on the literature recognized above, the researcher considers trust, commitment, communication and conflict handling as common constructs of both relationship quality and customer satisfaction. Since, relationship quality and customer satisfaction are mutually dependent, the relationship between them will be treated separately after exploring these four antecedents of relationship marketing. Discussed below are the effects of each of these constructs on relationship quality and customer satisfaction.

2.5.1. Trust

Kumar et al. (1995) reported that at a general level, customer's trust is composed of two major dimensions: honesty (belief that the hospital will keep its word and that it has the capacity to do so), and benevolence (belief that the hospital is interested in the patient's well-being). In line with this, Morgan and Hunt (1994, p. 23) argued that trust exists "when one party has confidence in an exchange partner's reliability and integrity." According to Anderson and Weitz (1989) trust is one party's belief that its needs will be fulfilled in the future by actions taken by the other party. In a study of relationship marketing for one industrial service, Moorman et al. (1993, p. 82) regards trust as "...a willingness to relay on an exchange partner in whom one has confidence". Therefore, the Patients' trust on the hospital exists when the good intentions of the hospital are not questioned by its patients,

the promises made by the hospital do not generate uncertainties in the patients' mind, and the communication between the patients and the hospital is honest, open and frequent.

The construct of trust has been particularly associated with the development of interest in relationship marketing in general and in the context of service markets in particular (Blois, 1999). The understanding of the nature of trust and the importance of its contribution to relationship quality will leave a major impact on how the firm-customer relationships are developed and managed. Several authors consider trust as a central construct to the development of successful service relationships in a service market and for the achievement of customer satisfaction and strong firm-customer relationship. Parasuraman, et al. (1985) introduced trust as a critical success factor in successful service relationships. These authors suggest that in order to trust the firm, customers need to feel safe in dealings with the firm and need to be assured that their interaction is confidential. To show how much trust is important for the building of quality relationship, Berry (1995, p.242) suggests that "relationship marketing is built on the foundation of trust". In order to build long term relationship with customers, firms should gain trust on their activities.

According to Dwyer et al. (1987) trust is an important element in the development of quality firm-customer relationships which is built through a process of making and keeping promises. This idea was also supported by Hewett and Bearden, (2001). In fact, when the parties have trust or belief in one another, then there will be ways by which the two parties can work out difficulties so as to strengthen their relationships. Even though there are studies which indicate that satisfaction is an antecedent of trust, many scholars seem to share the view that trust is directly and positively correlated with relationship quality and customer satisfaction (Crosby et al., 1990; Bejou, et al., 1998). From this one could say that customers want to build strong and long lasting relationship with the firm if they feel comfort to stay within the relationship tie. The level of customer satisfaction also depends on the trustworthiness of the firm on its activities.

The literature reviewed permits the hypothesis that trust is an antecedent of relationship quality and customer satisfaction. The clearest justification behind to this is that trust reduces the transaction costs of searching for information on prices and alternatives available in the market, of inspection and measurement of the objects exchanged, of communication between the parties, and of legal advice which increases belief on the relationship and hence customer satisfaction. In short, the higher the level of patient's trust, the lower the transaction costs and the greater the satisfaction on the hospital and the higher the quality of relationship.

2.5.2. Commitment

The construct of commitment has been revealed as an important dimension of relationship quality (Hennig-Thurau et al., 2002) and customer satisfaction (Fullerton, 2005). In similar way to trust, commitment is considered as an important ingredient in successful relationships (Morgan and Hunt, 1994). To show the importance of commitment for relationship quality in service industry, Berry (1995) states that relationships are built on the foundation of mutual commitment.

As Zins (2001) explained there are two types of customer commitment (affective and calculative or continuance commitment). For this scholar, calculative commitment is the way that the customer is forced to remain in the relationship tie against his/her desire. In this case customers become committed to a service provider for the reason that they may feel that ending the relationship involves an economic or social sacrifice or they may lack other alternatives (Fullerton, 2005). On the other hand, affective commitment reflects a consumer's sense of belonging and involvement with a service provider parallel to emotional bonding (Rhoades et al., 2001; Fullerton, 2005).

Even though both aspects of commitment influence the quality of relationship, the definition of customer commitment in the present study is based on its affective aspect. Commitment has been defined "as an enduring

desire to maintain a valued relationship" (Moorman et al., 1993, p. 316). It refers an intention to continue maintaining (strengthening) a relationship with a business partner based on the belief that the relationship is worthy (Rhoades et al., 2001). That is to mean commitment between the parties arises when one of them considers that his/her relationship with the other is so important that it is worth dedicating the maximum effort to maintain it indefinitely.

Commitment has also emotional element. With respect to this, Dwyer et al. (1987) define commitment as an implicit or explicit vow of relational continuity between exchange partners. In simpler terms, commitment refers to the motivation to stay in tie with the firm (Moorman, et al., 1993). Commitment has also been defined as the desire to continue a relationship, along with the willingness to work towards that continuance and the expectation that the relationship will continue (Wilson, 1995, and Anderson and Weitz, 1989). That is, in an ongoing relationship, the parties expect each other to be committed to what they have in common (Cook and Emerson, 1984). The parties within the relationship become committed to the relationship they have if the rewards of the present relationships are much higher than the rewards of alternative relationships.

Commitment can manifest itself in various ways like by making adjustments on standard services, or by investing more in the relationship (Johanson et al., 1991). Committed relationship partners are improbable to switch off their current relationship even if a competing supplier outperforms the present value offer. Consequently, a high level of commitment helps to stabilize the relationship. In other words, an increase in the level of commitment will result an increase in relationship quality or strength. Therefore, relationship quality has direct and positive correlation with commitment.

Commitment is also a way of responding to customer needs and is a key dimension of being market oriented (Johanson et al., 1991). It is, thus, commitment is expected to be a central expectation or norm within a business relationship. And fulfilling this expectation is thus postulated to drive

customer satisfaction. Therefore, one may conclude from this that customer satisfaction is directly and positively influenced by commitment.

2.5.3. Communication

According to Johanson et al. (1991), continuous communication and conflict avoidance are the two important determining factors or constructs of relationship quality and customer satisfaction. Further, they state that understanding and managing these factors effectively help the firm to enhance the quality and expansion of the relationships.

As these researcher explained, privileged communication is an essential element of relationship quality and customer satisfaction. In relationship marketing, communication means keeping in touch with valued customers, providing timely and trustworthy information on service and service changes, and communicating proactively if a delivery problem occurs (Ndubisi, 2007). It is an interactive dialogue between the firm and its customers. In our case, it refers to the exchange of information between the hospital's contact persons and the patients. The satisfaction level of patients and the degree of the patient-hospital relationship are highly influenced by the degree to which the patient is heard, kept informed through understandable terms, afforded social interaction and time during consultation, and provided psychological and non-technical information (Tucker, 2002). Because language is so imperfect, an open dialogue is often a necessary means of developing and preserving a shared understanding of the relationship and thus improves the quality of the relationship.

As Andaleeb (1988) explained if communication is good, which includes information from the service provider to the patient on the type of care he or she will receive, thereby alleviating uncertainty that increases his or her awareness and sensitivity about what to expect, then patient satisfaction is higher. Since satisfaction is an evaluation of an outcome compared to some norm, communication is also expected to be an important source for satisfaction because it can lead to a shared understanding of performance

outcomes and expectations (or norms). Thus, the exchange of information is one of the key factors for relationship quality and customer satisfaction.

Timely and trustworthy information improves the satisfaction level of the customer as well as the strength or quality of the relationship. Effective management of customer relationships relies heavily on information (Wilson, 1995). The quality of relationship as well as the level of satisfaction is influenced by the quality of information and though by communication (Moliner, 2009). To put it in another way, the quality of the firm-customer relationship highly depends on the quality of information that the firm has about its customers and the effectiveness of its communication system to deliver the needed information. This indicates that the firm-customer relationship quality depends on the way how firms communicate their customers.

Hence, when there is effective communication between an organization and its customers, a better relationship will be established and maintained, and customers will be more satisfied. In general, good communication should influence all aspects of the relationship, but largely trust, satisfaction and loyalty (Ball et al., 2004).

2.5.4. Conflict Handling

Conflict handling or compliant management is one of the most powerful marketing tools for the building of firm-customer relationship and customer/client satisfaction (Johanson et al., 1991). Conflict handling is defined by Dwyer et al. (1987), as a supplier's ability to avoid potential conflicts, solve manifest conflicts before they create problems, and discuss solutions openly when problems do arise. How the firm performs these activities determines the strength of the firm-customer relationship and the degree of customer's satisfaction. Organizations may be able to enhance the relationship with the customer by effectively dealing with a compliant.

Timely handling conflicts increase the level of customer satisfaction and strengthen the relationship between the firm and the customer. Handling complaints as quickly as possible recovers the customers' trust on the

company's performance that results in satisfaction and healthy relationship. In this regard, Cartwright (2000) argues that a customer whose complaint is solved very quickly in a satisfactorily manner is more satisfied than those of who have no complaints on the company's performance. Relationship quality and customer satisfaction are, thus, directly and positively influenced by communication and conflict handling.

2.6. Relationship Quality and Customer Satisfaction

One way to achieve strong and long term relationships (or to increase the quality of relationships) is to ensure that customers are satisfied. If customers are satisfied, they stay longer within the relationship and try to improve the quality of their relationships with the firm; if they are dissatisfied, the relationship will end up (Storbacka et al., 1994).

The quality or strength of relationship can grow up if and only if both parties in the relationship exert their efforts for the relationship they have. The degree of their efforts depends on the benefits they receive and the level of satisfaction they have on the relationship. To explain how customer satisfaction is important for the building of quality relationship, Shajahan (2004) points out as: "only when the customers are fully satisfied with the company's performance that they initiate efforts to tighten their connections with the company." This implies that customers want to have strong relationship with the firm and become committed for the relationship if they are fully satisfied with the firms overall services.

There are various studies that (both theoretically and empirically) indicate customer satisfaction is an antecedent of relationship quality (Crosby et al., 1990; Dorsch et al., 1998; Hewett et al., 2002). However, there are few researches which consider relationship quality as antecedent of customer satisfaction (Macintosh, 2007). Further, the author conceptualizes relationship quality as the customer's assessment of the interpersonal relationship with the contact person. Since in many service organizations contact service people serve as the key representative of the firm, the quality of the contact person-customer relationship can be considered as overall

firm-customer relationship and thus brings overall customer satisfaction to the firm (Macintosh, 2007). Naidu (2009) in his model of customer satisfaction for business service considers relationship quality as an antecedent of customer satisfaction and customer loyalty. This study shares the view that customer satisfaction is an antecedent of relationship quality. Moreover, Besides to Naidu and Macintosh, this research in considering relationship quality as an antecedent of customer satisfaction will indicate the empirical validity of this idea.

Customer satisfaction can be described as with a customer's positive or negative feeling about the value of using a service in a specific situation. This feeling can be a reaction to an immediate use situation or an overall reaction to a series of use situation experiences (Woodruff and Gardial, 1996). In other words, customer satisfaction represents a customer's reaction to the value received from the service. Satisfaction is, therefore, related to customer value. This value can be transactional (for example the quality of the service or product they purchase) or relational (such as the quality of the relationship between the firm and its customers). If customers achieve high relationship value, they become satisfied and if low, they become dissatisfied. Since relationship quality is interpreted in terms of accumulated customer value (Gummesson, 1987), and satisfaction is affected by customer value, so does relationship quality influences customer satisfaction.

Negi (2010), designs a model that shows how customer satisfaction is affected by trust, commitment, communication, and conflict handling by considering customer satisfaction as one of the constructs of relationship quality. According to this model, trust, commitment, communication and conflict handling are the common constructs of relationship quality and customer satisfaction. By implication, relationship quality influences customer satisfaction at least indirectly through its constructs.

According to Shajahan (2004), customer satisfaction is best measured by relationship quality when the customer base of the firm is unstable. Relationship quality serves as a direct measure of customer satisfaction if its

variation directly affects the level of customer satisfaction. Hence, relationship quality directly affects customer satisfaction. This indicates that relationships must be developed and managed in a way that brings customer satisfaction.

Firms can increase the satisfaction level of their customers through improving the quality of their relationship (relationship value) with their customers. Because a firm which able to develop healthy and positive relationship with customers can understand the needs of its customers and able to serve them in a way that creates satisfaction. The outcomes of relationships with high quality are high levels of customer satisfaction and customer loyalty to the firm. On the other hand, the consequence of low levels of satisfaction (or dissatisfaction) is low level of relationship quality and customer loyalty and/or the dissolution of the relationship (Shajahan, 2004). From the discussion made so far one can say with reasonable confidence that relationship quality is directly affected by and affects customer satisfaction.

2.7. Service quality and Customer Satisfaction

There are deviates among scholars whether service quality is an attitude or a transaction-specific measure. Some researchers consider service quality as an attitude measure and some others as transaction specific measure. These views determine the order of the constructs. Thus, if service quality is an attitude, then customer satisfaction antecedes service quality; if service quality is a transaction-specific measure, then service quality antecedes satisfaction. If service quality is both an attitude and transaction specific measure, then service quality affects and affected by customer satisfaction. Zeithaml et al. (1986) develop a gap theory that examines the gap between consumer expectations about performance and perceived actual performance that considers service quality as an attitude. Bitner (1990), agreeing with Zeithaml et al. (1986), introduced the expectation disconfirmation paradigm and argued that customer satisfaction is a determinant of service quality. This school of thought was further supported by Bolton & Drew (1991).

On the other hand, Cronin and Taylor (1994) suggested that service quality (which they characterized as a transaction-specific measure) preceded customer satisfaction. Lee, Lee and Yoo (2000) also argued for a transaction-specific measure of service quality. They introduced a process model of service quality which indicated that only perceptions of performance directly influenced service quality. And then they concluded that service quality is an antecedent of satisfaction. This is incompatible with the disconfirmation paradigm and gap analysis of service quality.

Cronin and Taylor (1994), who used purchase intent as an outcome variable, found that satisfaction exerted a stronger effect than did service quality on this outcome variable. This finding later was supported by Jones and Suh (2000). Cronin and Taylor (1994), though, reasoned that this was due to satisfaction being a short-term transaction-specific measure while service quality was a long-term attitudinal measure, whereas Jones and Suh (2000) distinguished transaction-specific satisfaction and "overall" (or attitudinal) satisfaction. While Parasuraman et al. (1985) speculate a transaction-specific measure of satisfaction anteceding a global, attitudinal measure of service quality, Oliver (1989) suggests the opposite directional effect; that is overall service quality antecedes consumer satisfaction.

The other important point is that as Zeithaml et al. (1986) identified, service quality is measured based on customer expectations. Overall service quality consists of both technical and functional elements. The functional quality element is more of an attitude type and the technical element more of transaction type.

Service quality is recognized as a multi-dimensional construct. Even though, the number of dimensions often varies from researcher to researcher, there is some consensus that service quality consists of three primary aspects: outcome quality, interaction quality, and physical service environment quality (Brady and Cronin, 2001). While outcome quality refers to the customer's assessment of the core service which is the prime motivating factor for obtaining the services, interaction quality refers to the customer's

assessment of the service delivery process, which is typically rendered via a physical interface between the service provider, in person or via technical equipment, and the customer (Gronroos, 1984).

Additionally, the physical service environment quality dimension refers to the consumer's evaluation of any tangible aspect associated with the facilities or equipment that the service is provided in/with (Pollk, 2006). Overall service quality is the quality of the combination of these three quality dimensions. Since overall service quality has interaction dimension, it is influenced by relationship quality. Thus, overall service quality has both transactional and attitudinal elements. Therefore, the study considers overall customer satisfaction as an antecedent of overall service quality and is anteceded by overall service quality.

2.8. Customer Loyalty and its Antecedents

2.8.1. Defining loyalty

Considerable discussions exist in the academic literature over the definition and dimensionality of loyalty. Ganesh et al. (2000) found two factors in their loyalty items: active loyalty (word-of-mouth and intention to use) and passive loyalty (not switching even under less positive conditions). Other authors have considered loyalty as a process rather than an outcome. In general terms, loyalty is such a rich concept with many possible definitions.

There are three conceptual perspectives or dimensions suggested to define customer loyalty: the behavioral perspective, the attitudinal perspective and the composite perspective (Zins, 2001). Although, loyalty has been defined in three dimensions, in simple terms it is best defined as a state of mind, a set of attitude, beliefs, and desires (Shajahan, 2004). Customers become loyal to their company if they have desire for the value delivered by the company; if they have positive attitude towards the company; and if they believe or trust the company's performance. Also, customer loyalty is defined as a deeply held commitment to reacquire or reutilize a preferred service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the

potential to cause switching behavior (Oliver, 1989). As illustrated in the stated definition, loyalty has both an attitudinal and behavioral dimensions.

Behavioral loyalty refers to the purchase behavior that actually displayed by the customer and attitudinal loyalty represents the individual's feelings towards the company, which may or may not be translated into purchase behavior, depending on factors such as cost, alternatives and convenience (Drake et al., 1998). It is assumed that customers who are behaviorally loyal to a firm display more favorable attitudes towards the firm. However, in some cases, behavioral loyalty does not necessarily reflect attitudinal loyalty, since there might exist other factors that prevent customers from defecting (Liljander and Roos, 2002).

Behavioral loyalty is highly prized, because it means sales. Attitudinal loyalty is also highly prized, because behavioral and attitudinal loyalties are highly intertwined. Repeated purchases lead to positive affect, which leads to high levels of involvement and intention to continue repurchase (Oliver, 1989). Strong attitudinal loyalty makes customers more resistant to attempts by other marketers to steal them away and more resistant to counter-persuasion and search for alternatives (Gundlach et al., 1995).

Loyalty is best measured by continuity of purchasing, purchasing additional services and testing new services, length of time with the current agency, sharing of information to others, saying positive things, recommending services for friends, and a degree of preference over alternative firms (Roberts et al., 2003). Thus, in the present study "loyal customers" are defined as those customers who hold favorable attitudes toward an organization, recommend the organization to other consumers and exhibit repurchase behavior.

2.8.2. Antecedents of Loyalty

The antecedents of loyalty, both in terms of the business-to-business and business-to-consumer cases, have received a great deal of attention in the marketing literature. But despite this growing interest, there is no agreement or clarity on what its antecedents are. As Buttle and Burton (2002) point out,

the antecedents of loyalty that have been identified are highly speculative. By referring different research outputs, Ball et al. (2004) divide the investigated antecedents of loyalty into four groups:

- (1) Characteristics of the environment include competitive attractiveness and perceived switching costs, technological changes and legal, economic, or environmental changes.
- (2) Characteristics of the dyadic relationship include shared norms (such as solidarity, mutuality, flexibility, and conflict/complaint resolution), equity, and spatial proximity and relationship duration.
- (3) Characteristics of the consumer include relationship tendency or proneness, deal proneness, and involvement in the category.
- (4) Consumer perceptions of the firm or the relationship with the marketing firm include overall product or service satisfaction, performance trust and benevolence trust, depth or value of communication, firm or brand image, relationship quality, and relationship satisfaction.

However, the focus of this work is largely on two (customer satisfaction on company services and relationship quality) of the last group of antecedents because relationship quality and customer satisfaction are considered as the main antecedents of customer loyalty. Some authors consider that studies oriented towards the analysis of relationship quality and satisfaction make sense in the framework of the explanation of purchasing loyalty, because customer loyalty has become the principal objective of firms (Oliver, 1989).

Customer satisfaction is widely accepted among researchers as a strong predictor for behavioral variables such as repurchase intentions, word-of-mouth, or loyalty (Ravald and Gronroos, 1996). Furthermore, Chong et al., (1997), in an empirical study, found out customer satisfaction as strong and important predictors of attitudinal loyalty. Besides, Zeithaml et al. (1996) explain more specifically, customer satisfaction as a necessary precursor of customer loyalty. Owing to the importance of customer loyalty, companies should do what it takes to establish and maintain for the success of their business.

Customer loyalty is not only affected by customer satisfaction but also by relationship quality. The results of the study performed by Roberts et al. (2003) demonstrated that relationship quality has direct influences on customer loyalty as it indicates service quality influences customer loyalty indirectly through relationship quality. Tightening the connections with customers is one of the three important conditions in developing customer loyalty (Shajahan, 2004). As Bloemer et al., (1998) argued in their work, customer satisfaction is explained as a good basis for customer loyalty but does not guarantee it, because satisfied customers switch the company due to various costs. This problem can be solved by improving relationship quality i.e., relationship quality reduces the number of customers who want to switch off the firm and increases their loyalty level.

In other words, if the firm is able to establish strong relationship with its customers, customers will be more loyal to the firm. Therefore, firms should strengthen their relationship with (improve relationship quality) customers to build customer loyalty and to minimize customer defection. With regard to this, Shajahan (2004) states in his "Relationship Marketing" book that once the relationship is established on a solid foundation, it is time to strengthen the relationship between the firm and its customer to make it more attractive for the customer to remain loyal and more difficult to defect. However, in some other researches connecting the concepts of loyalty, customer satisfaction and relationship quality, customer loyalty is expressed as a function of customer satisfaction and relationship quality.

Macintosh (2007) found the direct effect of relationship quality on customer loyalty and customer satisfaction. Also, he observed a direct relationship between customer satisfaction and customer loyalty. Thus, in considering customer satisfaction as antecedent of relationship quality and vice-versa, this study views relationship quality and customer satisfaction as key constructs of customer loyalty.

Furthermore, customer loyalty has also relationship with overall service quality. However, they have no direct relationship between them. The relationship between service quality and loyalty is mediated by satisfaction

(Fullerton and Taylor, 2002). This indicates that overall service quality affects customer loyalty indirectly through customer satisfaction.

Based on the discussion above the following model was developed to identify and explore the impacts of the four underpinnings of relationship marketing on relationship quality and customer satisfaction. This model also helps to describe the relationship among relationship quality, patient satisfaction, and patient loyalty.

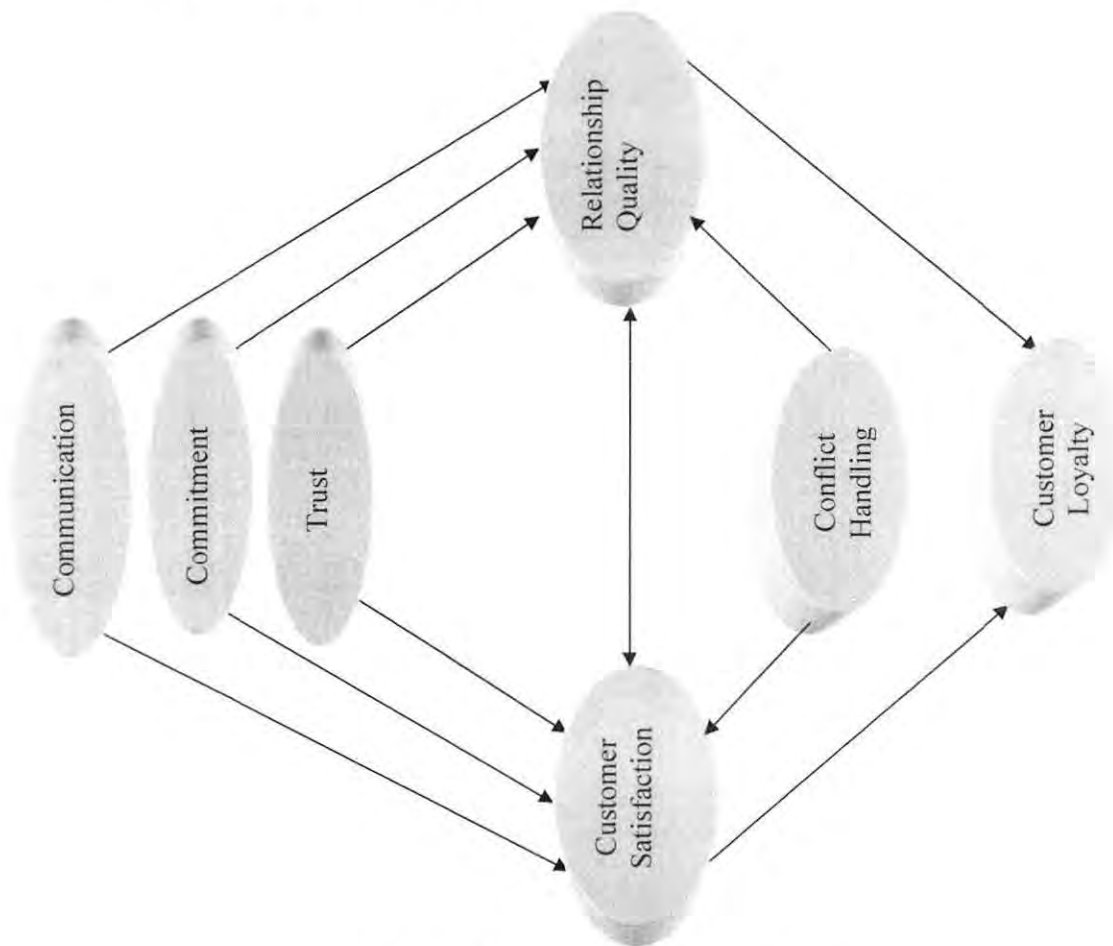


Figure 1: Research Framework

The model above (Figure 1) argues three important functions which deal with relationship quality, customer satisfaction and loyalty as follows:

1. Relationship Quality = f (trust, commitment, communication, conflict handling, customer satisfaction)

2. Customer Satisfaction = f (trust, commitment, communication, conflict handling, relationship quality)
3. Customer Loyalty = f (relationship quality, customer satisfaction)

In general, the proposed model identifies the common constructs of relationship quality and customer satisfaction, followed by examining the association between customer satisfaction and relationship quality. Finally, it demonstrates as to how customer loyalty is influenced by the constructs of customer satisfaction and relationship quality.

CHAPTER THREE

Research Methodology

Based on the proposed research framework, the study is developed with the methodology applied for preparing instruments for data collection, sampling, and data analysis. This chapter, therefore, draws the specific steps followed while collecting data, selecting sample respondents, and ethical grounds maintained in accomplishing research objectives.

3.1. Research Design

The study was designed to describe the relationship between relationship quality, overall satisfaction and customer loyalty. It also explores the impacts of relationship marketing constructs (namely trust, reliability, commitment, communication, conflict handling and concern) on relationship quality and overall satisfaction in healthcare services. Survey research method was used by considering most appropriate to pursue research of this kind.

3.2. Sampling Technique

The target population of the study comprises all patients of St. Gabriel General Hospital and the sample size of the study was 300. A systematic random sampling technique was implemented to select the sample from the population. As a probability technique, this method is useful because it allows implementing analytical methods for predicting possible selection bias or errors. The sample was taken from both inpatients and outpatients of the hospital.

From the outpatients, every third patient who reaches to the receptionists' office has been taken as sample and from the inpatients, every second patient in the ward has been considered as a sample. This variation occurs to make the sample a representative of the population because outpatients are more in number than inpatients. Families and friends of patients also included in the sample because they are the main influencers and decision makers in the choice of the hospital for patients especially for those in sever cases.

3.3. Data Collection Methods and Instruments

Both primary and secondary data were obtained to use in the study. However, to gather the primary data, a questionnaire consisting 32 items/statements was used. The questionnaire items were adapted from two different sources, and modified to best fit with healthcare sector. In other words communication, commitment, conflict handling, relationship quality and loyalty items were adapted from Morgan and Hunt (1994); and items for trust, reliability, and concern were adapted from Hennig-Thurau et al. (2002). Communication is explained by three items such as, providing timely and trustworthy information, providing timely and quick information if there is new service on offer, and information accuracy; commitment is explained by for items such as, offering personalize services, flexibility in serving customer needs, etc., and conflict handling had three items which include, avoid potential conflicts, solving conflicts before it manifest, and openly discussing problems.

Trust is also consists of three items which are showing respects, developing confidence, and fulfilling obligation and promises to patients. Reliability consists three items which are related to security, reliability in words and promises, and consistency in providing the service. Relationship quality is explained by five items like desirable relationship with the hospital, and the hospital shows high professionalism are the two among others. Loyalty consists of seven items while the dimension of concern maintains four items. Overall satisfaction was determined by single item. In this way, all (32) items representing eight dimensions were prepared and placed on a five-point Likert-scale ranging from 1 = strongly disagree to 5 = strongly agree. However, before using the questionnaire for the final study, a pilot study was conducted with 40 respondents (hospital patients) selected randomly, to ensure construct validity and reliability (Cronbach Alpha = 0.815).

St. Gabriel General Hospital allowed the patients to be surveyed in the hospital to make the survey more reliable and to encourage the respondents to fill and return the questionnaires spontaneously. This exercise was carried out for three weeks, six days a week (Monday to Saturday). In this way, a

total of 300 questionnaires were distributed to both the inpatients and outpatients of the stated hospital through stated sampling technique. Finally, 264 completely filled questionnaires were returned back and used for final analysis.

3.4. Data Analysis Method

Descriptive analysis, together with correlation, factor analysis, and multiple regressions were used as statistical tool to analyze the data. Descriptive statistics was used to summarize the means of key dimensions and demographic characteristics of the respondents. Factor analysis was carried out to assess the unidimensionality and validity, and thus suitability of the constructs for the subsequent analysis. The principal components extraction method was used with the oblique factor rotation (Eigenvalue>1) by considering all dimensions are conceptually linked and all the items with factor loadings of 0.50 or higher were accepted. Furthermore, to test the internal consistency of the scale items, Cronbach coefficients (alpha) were computed, and to predict the constructs relationships, multiple regression equations were obtained. Items in the questionnaire were extracted and loaded in each variable by using principal component extraction method. To identify the association between relationship quality and customer satisfaction correlation together with regression analysis were used. Multiple regression analysis was used to predict the effects of each underpinnings of relationship marketing on relationship quality and overall customer satisfaction, and to determine how relationship quality and customer satisfaction affects customer loyalty.

3.5 Ethical Considerations

The respondents were given the privilege of not writing their names and other identities to encourage them responding without hesitation and threat. Furthermore, they were assured on the part of confidentiality of their responses. No respondent was forced to fill the questionnaire unwillingly. Also, respondents were provided an opportunity to express their opinions and feelings without any reservation.

CHAPTER FOUR

Data Presentation, Analysis and Interpretation

This chapter deals with the presentation, analysis and interpretation of results obtained. While the first section of the chapter describes the characteristics of the study respondents, other explains the data analysis (descriptive and multivariate) to provide answers to the basic research questions. However, all statistical procedures were applied by using SPSS 17.0 package.

4.1. Characteristics of the Respondents

Less than one-third (29.9%) of the respondents fell in middle age group (36-45 years), followed by little over one-fourth (26.1%) who claimed to be within 26-35 years (Table 1). However, about one-fifth (21.2%) of the respondents were reported to be as older.

Table 1: Demographic Profile of the Respondents

Variable	No	%	Variable	No	%
Age (years)			Occupation		
< 18	2	0.8	Government Employee	71	26.9
19-25	58	22.0	Private Sector Employee	96	36.4
26-35	69	26.1	Business Owner	51	19.3
36-45	79	29.9	Students	11	4.2
≥ 46	56	21.2	Unemployed	35	13.3
Education			Monthly Income		
< 10	17	6.4	Nil	28	10.6
10/12 Complete	51	19.3	≤ 1,000	14	5.3
Diploma/ Certificate	83	31.4	1001-2000	75	28.4
BA/ B.Sc.	75	28.4	2001-3000	31	11.7
≥ MA	38	14.5	3001-5000	34	12.9
Sex			5001-10000	50	18.9
Male	125	47.3	> 10000	32	12.2
Female	139	52.7	Relationship Length		
			≤ 4	96	36.4
			5-10	115	43.6
			≥ 11	53	20

Additionally, a little over half (52.7%) of the respondents claimed to be as female, while the remaining (47.3%) as male. This indicates that the sample is more representative of the population in terms of sex composition. In other

words the respondents are almost proportional in representing both male and female patients in the hospital. On educational level, about one-third (31.4%) of the respondents were found to be with some Diploma or Certificates, followed by those of Degree holders (28.4%), and who completes 10th/12th grade (19.3%). With respect to occupation, over one-third (36.4%) claimed to be as private sector employees, followed by government employees (26.9%), and business owners (19.4%). However, other (13.3%) were reported to be as unemployed. Additionally, little over one-fourth (28.4%) of the respondents stated to be with a monthly income of Birr 1001-2000, followed by little less than one-fifth (18.9%) who claimed it to be Birr 5001-10000 and Birr 3001-5000 (12.9%). From this, one may conclude that hospital customers represent varying working class/groups and economic background (Table 1).

With regards to the time-period of respondents' interaction with the hospital (information related to relationship length) or the number of years they have been with the hospital, less than half (43.6%) mentioned to be with the hospital for five to ten years, followed by over one-third (36.4%) who reported for four years or less, and one-fifth (20%) for 11 years or more. These results show that respondents have a considerable level of repurchase behavior of healthcare services while maintaining a relationship with hospital for, relatively, a longer period of time. By implication, the respondents were found to be known to the hospital services, being consumers, for a longer period of time. As a result, the information obtained from such respondents can be considered as representative, accurate and reliable.

Generally, the information as revealed through the demographic profile of the respondents, report the respondents as diverse on the part of age, sex, academic qualification, occupation, economic background and length of relationship they maintain with the hospital under examination. This implies that the probability of obtaining appropriate information from those complex characteristics of the respondents is very high.

4.2. Factor Analysis and Scale Reliability

To identify the empirical dimensions determining relationship quality and other constructs' unidimensionality, the study used factor analysis. However, all the factors/dimensions were exposed to scale reliability testing by using Cronbach Alpha coefficients (Table 2).

Table 2: Factor Loadings, Communalities and Scale Reliabilities

Key Dimensions & Items	Loadings	Communality	Reliability
F1: Reliability			0.799
1. SGGH provides safe healthcare services	0.766	0.672	
2. SGGH promises are reliable to its patients	0.790	0.669	
3. SGGH provides consistent service quality	0.856	0.758	
F2: Trust			0.689
1. Staff of the hospital shows respect to their patients	0.510	0.590	
2. SGGH makes & fulfills its obligations & promises	0.708	0.635	
3. I have confidence in all healthcares of SGGH	0.753	0.616	
F3: Communication			0.800
1. SGGH provides timely & truthful information to its patients	0.830	0.708	
2. SGGH provides quick information when there is a new service on offer	0.744	0.582	
3. All information provided by the hospital is always accurate	0.890	0.798	
F4: Commitment			0.741
1. SGGH offers customized health related services to meet its patients' needs	0.784	0.676	
2. SGGH makes adjustments to suit my healthcare needs	0.752	0.647	
3. SGGH is flexible to provide health services of various types.	0.681	0.615	
4. SGGH is flexible in serving my needs related to medic-care	0.636	0.584	
F5: Conflict Handling			0.757
1. SGGH tries to avoid potential conflicts	0.792	0.708	
2. SGGH has the ability to openly discuss on solutions when problems arise	0.759	0.680	
3. The hospital tries to solve noticeable conflicts before they face problems	0.729	0.662	

Key Dimensions & Items	Loadings	Communality	Reliability
F6: Concern			0.798
1. The hospital regularly assesses customer satisfaction for improving its services	0.756	0.669	
2. SGGH gives special incentives/privileges to regular patients	0.811	0.695	
3. SGGH makes effective use of latest technology to offer better healthcare	0.782	0.698	
4. SGGH carefully evaluates evolving needs of the patients	0.794	0.688	
F7: Relationship Quality			0.867
1. SGGH shows high professionalism in its services	0.659	0.661	
2. My relationship with the hospital fulfills all my expectations related to Medicare	0.691	0.687	
3. My relationship with the hospital meets my healthcare objectives	0.769	0.719	
4. My relationship with the hospital is pleasurable and attractive	0.861	0.782	
5. I have a good relationship with the hospital staff	0.811	0.667	
F8: Customer Loyalty			0.832
1. I would definitely recommend SGGH to someone who seeks my advice	0.615	0.537	
2. I would continue to be a customer of this hospital even if its prices increased	0.660	0.679	
3. I wish to have more healthcare services when required in future, provided by St. Gabriel General hospital (SGGH)	0.660	0.569	
4. I am very likely to switch to another health centre that is more competent in offering medical services	0.744	0.633	
5. Most of the people are willing to switch to other medical service providers those are more competent in offering healthcare solutions	0.812	0.693	
6. I feel happy to be with SGGH as medical service provider	0.640	0.573	
7. Most of the patients feel happy to be with SGGH as their service provider	0.619	0.554	

Originally, the research model proposes the relationship of six constructs. However, when undergoing the factor analysis, all the 32 items were found to be loaded into eight factors with total variance explained of 70%. Items proposed for the dimension of trust are loaded in to two different categories indicating that customers found them differently, and named trust and reliability. Hence, based on this result a new dimension (reliability) was identified.

Items related to communication, commitment, conflict handling, relationship quality and customer loyalty were loaded as they were initially proposed. However, there are items which were loaded as one group that indicates existence of another dimension which is concern. Therefore, reliability and concern dimensions were not proposed initially by the model. However, based on the respondents' response, the model is modified and includes all these dimensions.

Reliability estimates (Cronbach Alphas) for the construct dimensions were computed and found to be as follows: Trust (**0.689**), Reliability (**0.799**), Communication (**0.800**), Commitment (**0.741**), Conflict handling (**0.757**), Concern (**0.798**), Relationship quality (**0.867**) and Customer Loyalty (**0.832**). This suggests that there is a high degree of reliability for each construct as the results exceeded 0.60 (Hair et al., 1995), the lower limit of acceptability.

4.3 Correlation Analysis

Correlation analysis was carried out to obtain the degree of association between relationship marketing antecedents, relationship quality, overall satisfaction, and customer loyalty (Table 3). However, to identify how each of the relationship marketing underpinnings (namely trust, reliability, commitment, communication, conflict handling and concern) contributes to relationship quality and overall satisfaction, multiple regression analyses were carried out.

Significant associations were found between each of the relationship marketing constructs. However, the magnitudes of the correlation coefficients were found to be lower that enables us to implement multiple regression

analysis. This indicates that the occurrence of multicollinearity problem is very low. Relationship quality was found to be significantly ($p < 0.001$) associated with the dimensions of Trust ($r = 0.206$), Reliability ($r = 0.279$), Commitment ($r = 0.433$), Communication ($r = 0.400$), Conflict handling ($r = 0.497$) and Overall customer satisfaction ($r = 0.262$).

The results also indicate that there exist insignificant, however, positive association between relationship quality and concern ($r = 0.011$). This further, implies that the relationship quality experiences a change in the same direction as that of relationship marketing underpinnings. When comparing the degree of correlation each variable has with relationship quality, conflict handling was found to be with the highest degree, followed by commitment and communication. On the other hand, concern was found to be with no association with relationship quality, customer satisfaction, and loyalty. In other words, concern does not have direct relationship with overall satisfaction and relationship quality (Table 3). This is may be due to the other intervening variables between them like overall service quality. Concern is the determinant factor of overall service quality and service quality is one of the determinant factor of overall service quality. Thus concern may influence overall satisfaction indirectly through overall service quality.

Table 3: Correlation Analysis

	Trust	Commitment	Communication	Conflict Handling	Reliability	Concern	Relationship Quality	Overall Satisfaction	Customer Loyalty
Trust	1.000								
Commitment	0.370**	1.000							
Communication	0.102	0.264**	1.000						
Conflict Handling	0.244**	0.309**	0.465**	1.000					
Reliability	0.525**	0.492**	0.059	0.189**	1.000				
Concern	0.031	0.038	0.076	0.137*	0.097	1.000			
Relationship Quality	0.206**	0.433**	0.400**	0.497**	0.279**	0.011	1.000		
Overall Satisfaction	0.254**	0.378**	0.174**	0.376**	0.213**	-0.056	0.262**	1.000	
Customer Loyalty	0.090	0.222**	0.325**	0.334**	0.049	-0.016	0.534**	0.291**	1.000

Note: ** Significant at 0.001 level

* Significant at 0.05 level

Furthermore, overall satisfaction was found to be significantly associated with conflict handling ($r=0.376$, $p<0.001$), commitment ($r=0.378$, $p<0.001$), communication ($r=0.174$, $p<0.005$), trust ($r=0.254$, $p=0.001$) and reliability ($r=0.213$, $p<0.001$). From this, one can deduce that all variables, except concern, have significant positive association with overall customer satisfaction. It means overall customer satisfaction experiences changes in the direction that trust, commitment, conflict handling, communication, and reliability maintain.

Also, customer loyalty was found to maintain significant ($p<0.001$) associations with relationship quality and overall satisfaction. However, customer loyalty correlates highly with relationship quality ($r=0.534$) than overall satisfaction ($r=0.291$). The coefficients of correlation tell us only the degree and direction of relationship variables maintain but not the degree of contribution to each other. Therefore, to determine the kind and level of contribution made by each independent dimension in estimating the dependent, multiple regression analysis was carried out.

4.4 Modeling Relationship Quality, Customer Satisfaction and Loyalty

This section attempts to describe as to how relationship marketing underpinnings as a whole, influences hospital-patient relationship quality and overall patient satisfaction. It also deals with the association between relationship quality and overall satisfaction and their relative influence on patient loyalty. To analyze the degree of influence that relationship marketing underpinnings (trust, reliability, commitment, communication, conflict handling and concern) maintain to predict relationship quality, multiple regression analysis was carried out (Table 4).

Table 4: Regression Estimates for Relationship Quality

Variables	Standardized (β) Coefficients	t-value	Sig.
Reliability	0.114	1.792	0.074
Trust	-0.042	-0.699	0.485
Communication	0.183	3.196	0.002
Commitment	0.245	3.934	0.000
Conflict Handling	0.337	5.503	0.000
Concern	-0.069	-1.351	0.178
Note: R=0. 606, R²= 0.367, Adjusted R² = 0.350, F= 21.224, p-value<0.001			

The results of the regression analysis reveal that reliability, trust, commitment, communication, conflict handling, and concern as a whole contribute significantly ($F= 21.224$, $p<0.001$) to estimate firm-customer relationship quality and explained 35% of the variations in the dependent variable. In other words, the relationship marketing underpinnings contribute significantly for improving relationship quality in healthcare settings.

Coming to the level of contribution of each variable conflict handling ($\beta=0.337$, $p<0.001$), commitment ($\beta=0.245$, $p<0.001$), and communication ($\beta=0.183$, $p<0.003$) found to be significant contributors to firm-customer relationship quality. However, trust ($\beta=-0.042$, $p<0.486$), reliability ($\beta=0.114$, $p<0.074$), and concern ($\beta= -0.069$, $p<0.178$) reported to be insignificant predictors. Comparing the significance of each of the resulting dimensions, out of the six (independent) dimensions used in the analysis, three appeared to be significantly contributing to the hospital-patient relationship quality in SGGH. As revealed by Table 3, reliability has positive association with relationship quality, but predicting insignificantly ($p<0.074$). Moreover, the small value of beta coefficient indicates that reliability has very weak influence against other variables, in estimating relationship quality.

Similar is being observed for trust showing significant association with relationship quality (Table 3), but did not appear as a significant contributor

to it. Thus, the relationship between trust and relationship quality is not a cause-effect relationship rather it may be based on the common factors that affect both of them. However, both the correlation and regression Tables (3 & 4) reveal that concern has no significant association with relationship quality and thus, not found to be statistically significant to predict relationship quality. Hence, the most important findings of Table 4 are:

1. Relationship marketing underpinnings significantly contribute for the variation on relationship quality (35%);
2. Relationship quality is mainly influenced by conflict handling (33.7%) followed by commitment (24.5%) and communication (18.3%); and
3. Trust, overall satisfaction, concern and reliability were not found statistically significant to predict relationship quality.

Based on the above analysis, one can deduce that the hospital-patient relationship quality depends on the hospital's conflict handling ability, the commitment level exhibited by the hospital and its ability to deliver quick, timely and trusted information to its patients. The positive sign of the estimates respectively shows that the greater the ability of the hospital to handle conflicts, the higher the level of commitment, and the higher effectiveness in communicating the patients, the better the quality hospital-patient relationship.

As stated above, reliability is found as a weak predictor of relationship quality, while trust and concern are not found as predicting the same. This result shows that although patients would like the hospital to be reliable, but its impact on hospital-patient relationship is not as significant as the other (three) predictors. However, the hospital's service should be at a necessary level of reliability.

Therefore, if the hospital wants to improve its performance and take competitive advantage over competitors through improving the quality of relationship with its patients, potential conflicts must be avoided, manifest conflicts must be resolved before they create problems and there must be an open discussion when the problem arises. Handling complaints as quickly as

possible may recover the patients' belief on the hospital's performance that results in healthy patient-hospital relationship. Besides, the hospital should deliver accurate and truthful information on time. Because if communication is good, which includes information from the service provider to the patient on the type of care he or she will receive, thereby alleviating uncertainty that increases his or her awareness and sensitivity about what to expect, then patients' confidence and happiness becomes higher and higher which leads for the improvement of relationship quality.

Patient commitment to the relationship they have with the hospital arises when they believe that their relationship with the hospital is important and worthy. Therefore, to improve and enhance the quality of its relationship with patients by making them committed, the hospital itself should be committed and flexible in delivering customized services in a way that convince patients how much they being beneficiary in staying within and strengthening their relationship with the hospital. In general, the hospital must be committed in handling conflicts and delivering standardized services and should communicate properly to show how much it is committed to serve its patients. All these activities must be done in a way that indicates how much the patients being beneficial in staying and strengthening the relationship.

Additionally, attempt was made to model overall patient satisfaction through relationship marketing underpinnings (Table 5).

Table 5: Regression Estimates for Overall Patient Satisfaction

Variables	Standardized (β) Coefficients	t-value	Significance
Reliability	-0.014	-0.201	0.841
Trust	0.125	2.187	0.030
Communication	-0.038	-0.591	0.555
Commitment	0.272	3.974	0.000
Conflict Handling	0.308	4.496	0.000
Concern	-0.107	-1.921	0.056
Note R= 0.486, R²= 0.236, Adjusted R² = 0.216, F= 11.333, p value<0.001			

The results of the regression analysis on the above Table revealed that reliability, trust, communication, commitment, conflict handling, relationship quality and concern as a whole contribute significantly ($F=11.333$, $p < 0.001$) and predict 21.6% (**Adjusted $R^2 = 0.216$**) of the variation in overall patient satisfaction. In other words the relationship marketing dimensions predicts a significant change in overall customer satisfaction.

As can be seen from Table 5, conflict handling ($\beta=0.308$, $p<0.001$), commitment ($\beta=0.272$, $p<0.001$), and trust ($\beta= 0.125$, $p<0.030$) were reported as significant predictors to overall patient satisfaction with hospital services. However, reliability ($\beta=-0.014$, $p<0.841$), communication ($\beta=-0.038$, $p<0.555$), and concern ($\beta=-0.107$, $p<0.056$) appeared to be as non-significant contributors to the overall satisfaction.

This shows that among those dimensions which have strong association with overall customer satisfaction, only three (trust, commitment and conflict handling) were found to be significantly predicting overall customer satisfaction.

Therefore, the degree of patient satisfaction depends on the level of trust they have to their hospital, the commitment level exhibited by the hospital, and mainly on the ability of the hospital to handle complaints/conflicts. The positive sign of the estimates shows that the higher the level of trust, commitment, and conflict handling ability, the greater the level of the overall satisfaction of the patients on their hospital.

The hospital can take competitive advantage strategically and become more profitable and successful by maintaining and enhancing the overall satisfaction level of its patients at the desired level. Maintaining and enhancing the overall satisfaction of patients on the hospital services at a desired level requires the marketing manager and employees to have knowledge about the basic determinants and their relative effects on overall patient satisfaction and then to direct their effort accordingly.

As the result of the study indicates conflict handling is the primary influencing factor of overall patient satisfaction. This is the most influential factor from those of relationship marketing underpinnings. As the hospital's ability to avoid potential conflicts, solve manifest conflicts before they create problems, and discuss solutions openly when problems arises increased, the satisfaction level of patients will increase.

Commitment is another important determinant factor. Commitment is a way of responding to customer needs and is expected to be a central expectation or norm within a business relationship; and fulfilling this expectation may derive overall patient satisfaction. Therefore, this teaches the hospital to develop its commitment level by becoming more flexible in delivering customized health related services to meet its patient's needs and thus to enhance overall customer satisfaction.

Additionally, trust appeared as another important factor that to bring significant create variation in overall customer satisfaction. This means as the level of the trustworthiness of the hospital increased, the level of overall patient satisfaction will be increased and the reverse is true. This is because trust reduces transaction costs of searching information on prices and quality of services delivered by different hospitals that affect satisfaction. Therefore to raise overall patient satisfaction through trust, the hospital is expected to assure that patients have belief or confidence on that the hospital has a capacity to do its promises and an interest for patient's wellbeing.

Above all, maintaining overall service quality at high standard level; increasing the potential to manage conflicts; becoming more committed for the patients; and enhancing trustworthiness may increase the overall satisfaction levels of patients. In this regard, the direction of the hospital effort must be according to the direction of their relative degree of contribution.

However, Table 3 reveals a significant positive relationship between reliability, communication and overall customer satisfaction, the regression scores (Table 5) represent both reliability and communication as non-

significant predictors to overall customer satisfaction. This indicates that the relationship between reliability and communication maintained with overall customer satisfaction is not based on cause and effect rather it may be attributed to other common variables that affect all of them. Additionally, in both the cases (correlation and regression analysis) concern was not found to be significantly associated and contributed to overall customer satisfaction.

Moreover, the model indicated in Figure 1, assumes a symmetric relationship between overall satisfaction and relationship quality. That means overall satisfaction affects relationship quality and vice-versa (Table 3). Thus it is possible to arrive at a conclusion that the hospital can enhance the quality of its relationship with the patient and the overall satisfaction level of the patients by investing properly on the main determinants of them. This is because hospitals which have strong relationship with their customers can know and understand their patients' needs better than those which have weak or no relationship maintained with their patients.

Finally, the effects of relationship quality and overall patient satisfaction were analyzed over patient loyalty with the service provider (Table 6). Both the firm-customer relationship quality and customer satisfaction were seen as contributing significantly to develop loyal customers, at least in the present healthcare settings.

Table 6: Regression Estimates for Patient Loyalty

Variables	Standardized (β) Coefficients	t-value	Significance
Relationship Quality	0.491	9.221	0.000
Overall Satisfaction	0.163	3.058	0.002
Adjusted R^2 = 0.304, F= 58.563, Sig. = 0.000			

However, relationship quality ($\beta=0.491$, $p<0.001$) was found to be a more significant determinant of customer loyalty than overall satisfaction ($\beta=0.163$, $p<0.003$). Therefore, the higher the degree of firm-customer relationship

quality and the level of overall customer satisfaction, the higher the loyalty of customers with the service provider. Thus, there is a possibility of reaching at the decision that respondents connect loyalty to the quality of the relationship they have with the hospital and their overall satisfaction with the services offered by the hospital.

From these results, it is possible to conclude that both overall patient satisfaction and relationship quality have significant influence on patient loyalty and relationship quality influences patient loyalty more significantly than overall patient satisfaction does. Furthermore, when we see the other dimension of the study, it provides an answer for questions like what determines customer loyalty in healthcare services. Also, it is important to see as to what dimension of loyalty is being influenced by the two predictors (overall satisfaction and relationship quality). Answering this is important as many scholars agreed that loyalty has both behavioral and attitudinal dimensions. Since behavioral loyalty refers to the purchase behavior that actually displayed by the customers, and only satisfied customers made repeat purchase (because satisfaction is post purchase behavior), this dimension may be more affected by the overall satisfaction rather relationship quality. On the other hand, attitudinal loyalty represents the individual's feelings towards the hospital and is affected by factors such as associated costs, information quality, availability of alternatives, and convenience. It is considered to be highly influenced by relationship quality as building strong relationship with the hospital helps the patients to reduce such costs.

Tightening the connections with patients (strengthening relationship) is an important condition in developing patient loyalty because satisfied patients may switch the hospital due to various costs even if it serves as a good basis for patient loyalty. This tells us strengthening the quality of patient-hospital relationship may reduce the number of patients who want to switch off the hospital and increases their loyalty level to the hospital. In other words, if the hospital is able to establish strong relationship with its patients, patients will become more loyal to the hospital. Therefore, the hospital is expected to

strengthen its relationship with patients in order to make them satisfied and loyal to the hospital healthcare services.

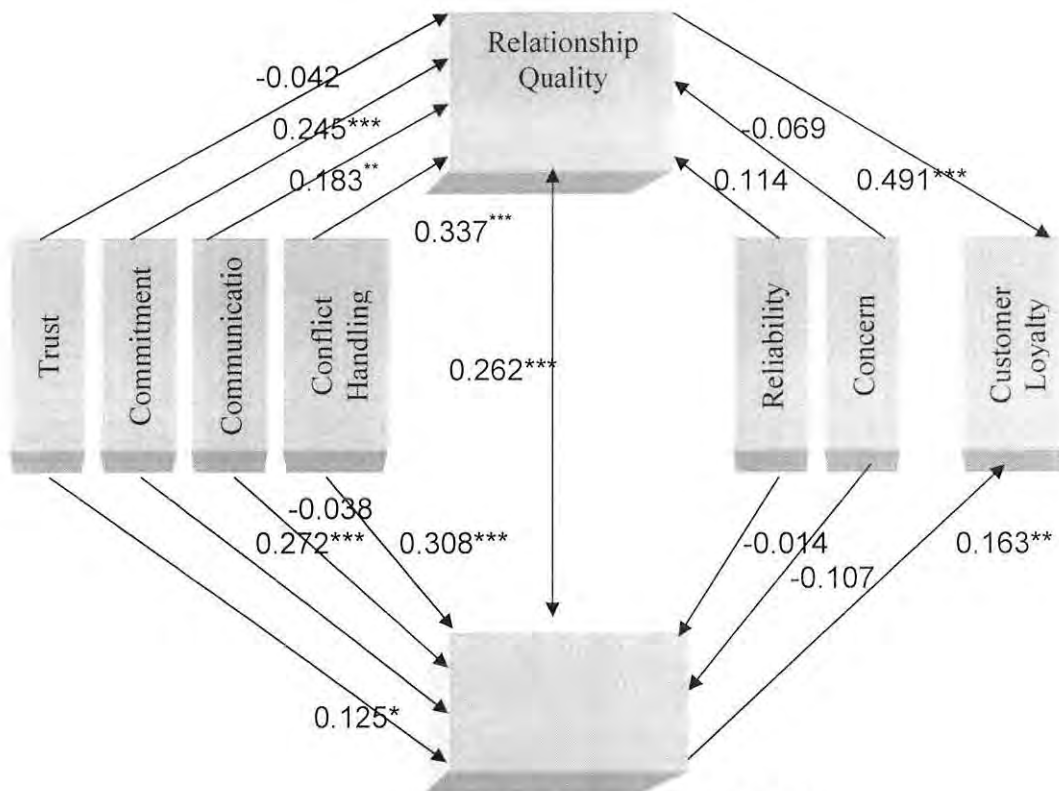


Figure 2: Relationship Model

Note: * Significant at 0.05 level
 ** Significant at 0.005 level
 *** Significant at 0.001 level

Figure 2 shows the final results obtained from correlation and regression analysis. As is shown, this model is similar with the proposed one (figure 1) except the addition of two variables (namely reliability and concern). These variables were included in the model based on the factor analysis. Therefore, the model reveals that:

1. Conflict handling and commitment are two of the significant common factors that affect both firm-customer relationship quality and overall patient satisfaction. That means conflict handling contributes 33.7% on the variation of relationship quality and 30.8% on the variation of overall satisfaction. Commitment also contributes 24.5% for the variation on relationship quality and 27.2% for the variation of overall

satisfaction. Thus, it was also found to be that commitment was the second best predictor of the quality of firm-customer relationship and customer satisfaction next to conflict handling.

2. Relationship quality was also influenced by communication (18.3%) and overall satisfaction by trust (12.5%).
3. Both overall patient satisfaction and relationship quality contributes significantly to determine patient loyalty (30.4%). However, relationship quality (49.1%) contributes higher than overall patient satisfaction (16.3%).
4. Overall patient satisfaction and relationship quality have no symmetrical relationship rather they are influenced by common factors. However, they are significantly and positively correlated each other (0.262***).

CHAPTER FIVE

Summary, Conclusion and Recommendations

This section presents a summary of the study together with conclusion drawn and forwards some recommendations based on the findings.

5.1. Summary

Today, healthcare delivery organizations in Ethiopia, especially in Addis Ababa, increase both in number and size. Most of the private healthcare organizations are technologically well equipped relative to the economic conditions of the Country and found nearly at similar standards of service quality. Private organizations not only compete among themselves but also with Public Hospitals and Clinics. This makes the competition in the area stiffer and fulfilling the required standard level of service quality is mandatory. On the other hand because of this high competition stealing customers and acquiring new customers become a difficult task and requires high cost.

Loyalty makes the organization more profitable and successful by reducing both promotion and transaction related costs of the hospital. Maintaining and enhancing the relationship quality and the satisfaction level of the patients may help the hospital to build loyal customers. To enhance the quality of relationship and the satisfaction level of the patients, understanding the effects of relationship marketing underpinnings on relationship quality and overall satisfaction and directing the hospital's effort accordingly may become an effective strategy.

The specific objectives of the study were to determine the effects of relationship marketing underpinnings on overall satisfaction and relationship quality, to identify the association between relationship quality and overall satisfaction, and to identify the influences of overall satisfaction and relationship quality on patient loyalty. Based on these objectives, the main findings of the study are summarized as follows:

1. Demographic profiles of the respondents were found to be diverse in terms of their age composition, sex difference, academic qualification,

occupational diversity, economical condition and length of connection with the hospital is concerned. This implies that the probability of obtaining appropriate information from those complex characteristics of the respondents is very high. Hence, it is possible to say that the data obtained from those respondents was unbiased, complete and dependable.

2. The data used for the study were found to be high in its reliability. The items in each variable have high communalities in describing the variables and loaded at significant level. This tells us the analysis and findings made on this study were based on reliable and objective data.
3. Relationship quality and overall patient satisfaction are significantly and directly correlated with all the antecedents of relationship marketing except concern. This implies that relationship quality and overall patient satisfaction experiences a change in the same direction as that of relationship marketing underpinnings. However, the association between relationship quality and overall satisfaction is statistically insignificant. This is may be due to the other intervening variables between them like overall service quality. Since concern is a factor of overall service quality and overall service quality is a determining factor of overall satisfaction and customer loyalty, concern may have indirect effect on both overall satisfaction and customer loyalty through overall service quality. When we compare the degree of correlation of each variable has with relationship quality and overall patient satisfaction, conflict handling has the highest degree of association followed by commitment, communication and trust respectively. Overall satisfaction is also positively and significantly correlated with relationship quality. It means overall customer satisfaction experiences the same direction with the change in relationship quality.
4. The most crucial factor of relationship quality aspect is conflict handling. Communication is the third factor next to commitment. Moreover, the reliability on the services of the hospital has its own influence even if it is weak. Trust and relationship quality have significant correlation but trust was not found to be significant to

predict relationship quality. This shows that the association between trust and relationship quality is may be based on the common factors that affect both of them. Thus, among those relationship marketing underpinnings that are stated in the study, trust and concern were not found as the significant predictors of relationship quality however trust was found as a significant predictor of overall patient satisfaction.

5. Most importantly the findings of the study tell us among the relationship marketing underpinnings conflict handling and commitment are also the main determinants of overall patient satisfaction. Conflict handling was found as the most important factor of overall customer satisfaction followed by commitment and trust. Reliability, communication and concern were not found to be significant to predict overall satisfaction even though overall satisfaction is positively correlated with reliability and communication.
6. The contribution of relationship quality for the variation on overall patient satisfaction is not statistically significant and the reverse is also true. However, relationship quality and overall patient satisfaction has positive correlation because of the common factors that affect both of them.
7. The other most important finding is that the association of loyalty with relationship quality and overall satisfaction. Loyalty is directly and positively associated with both of relationship quality and overall satisfaction. However, relationship quality influences loyalty more significantly than overall satisfaction does.

5.2. Conclusion

Based on the findings of the study we can arrive at a conclusion that among those constructs of relationship marketing, conflict handling, commitment and communication influence relationship quality significantly in their respective order. Relationship quality was not predicted by both trust and concern, however trust and relationship quality have significant positive association because of the common factors that affect both of them.

With regard to the association between the constructs of relationship marketing underpinnings and overall patient satisfaction, we can reach at a conclusion that overall satisfaction is mainly predicted by conflict handling followed by commitment and trust respectively. Overall patient satisfaction was not predicted by concern, reliability and communication but it has a significant positive correlation with reliability and communication may be due to the other common factors that affect both of them.

When we come to the association between relationship quality and overall patient satisfaction, they have positive correlation but their relationship is not a cause and effect type rather it is a kind of relationship existed due to the influences of the common factors that affect both of them.

With regard to the association of overall patient satisfaction and relationship quality with patient loyalty, overall patient loyalty has significant positive association with relationship quality and overall patient satisfaction. Overall patient satisfaction predicts patient loyalty next to relationship quality. In other words relationship quality is the main predictor for the strengthening of patient loyalty.

5.3. Recommendations

On the basis of the conclusions made above, the student research provides the following recommendations:

1. If the hospital wants to improve its performance and take competitive advantage over competitors it may require to improve the quality of relationship it has with its patients and the overall satisfaction level of its patients. To improve the quality of the patient-hospital relationship and to enhance the overall satisfaction level of the patients in the services delivered by the hospital, potential conflicts must be identified and avoided, manifest conflicts must be resolved before they create problems and there must be an open discussion when the problem arises because handling complaints as quickly as possible may recover the patients' belief on the hospital's performance that results in healthy patient-hospital relationship. Besides, the hospital should

deliver accurate and truthful information on time. Because if communication is good, which includes information from the service provider to the patient on the type of care he or she will receive, thereby alleviating uncertainty that increases his or her awareness and sensitivity about what to expect, then patients' confidence and happiness becomes higher and higher which leads for the improvement of relationship quality.

2. Relationship quality requires both parties commitment. Patients become committed to the relationship they have with the hospital if they believe that their relationship with the hospital is important and worthy. Therefore, to improve and enhance the quality of its relationship with patients by making them committed, the hospital itself should be committed and flexible in delivering customized services in a way that convince patients how much they being beneficiary in staying within and strengthening their relationship with the hospital. In general, the hospital must be committed in handling conflicts and delivering standardized services and should communicate properly to show how much it is committed to serve its patients.
3. Maintaining and enhancing the overall satisfaction level of the patient may help the hospital to become more profitable because satisfied customers may become company promoters and reduce company promotion costs. Since conflict handling, commitment and trust influences overall patient satisfaction, increasing the potential to manage conflicts; becoming more committed for the patients; and enhancing trustworthiness may increase the overall satisfaction levels of patients. So if the hospital wants to maximize the satisfaction level of its patients, the marketing manager and employees of the hospital should understand the basic determinants of overall satisfaction and direct their effort according to their relative importance. Since conflict handling is the primary influencing factor of overall patients' satisfaction, the hospital may give more emphasis to improve its ability to avoid potential conflicts, solve manifest conflicts before they create problems, and discuss solutions openly when problems arise.

4. Commitment is the second important determinant factor of overall patient satisfaction. Commitment is a way of responding to customer needs and is expected to be a central expectation or norm within a business relationship; and fulfilling this expectation may derive overall patient satisfaction. Therefore, this teaches the hospital to develop its commitment level by becoming more flexible in delivering customized health related services to meet its patient's needs and thus to enhance overall customer satisfaction.
5. Trust is also another important factor that its variation will create variation on overall satisfaction in the same direction. This means as the level of the trustworthiness of the hospital increased, the level of overall patient satisfaction will be increased and the reverse is true. This is because trust reduces transaction costs of searching information on prices and quality of services delivered by different hospitals that affect satisfaction. Therefore to raise overall patient satisfaction through trust, the hospital is expected to assure that patients have belief or confidence on that the hospital has a capacity to do its promises and an interest for patient's wellbeing.
6. Finally, the results of this study suggested that to maintain and enhance loyalty of its patients and their families, the hospital managers and employees may put their efforts in enhancing overall patients satisfaction and designing excellent service systems that maintains and improves the overall service quality of the hospital. More importantly, since relationship quality influences patient loyalty more significantly, the hospital should focus on building a high relationship quality on the basis of creating the customers' belief and commitment on the hospital service.
7. Overall, to maintain patient loyalty to the hospital through relationship quality and overall patient satisfaction, the hospital may enhance all the three main aspects of relationship quality which are commitment, communication, and conflict handling and the three main determinants of overall satisfaction which are conflict handling, commitment and trust.

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APPENDIX

Survey on Firm-Customer Relationship Quality and Loyalty in St.

Gabriel General Hospital

Dear respondent,

My name is Melkamu Adamu, MA (Marketing) graduating student of **Addis Ababa University**. Given below are the items to evaluate your opinion/experience about ***St. Gabriel General Hospital***, and the medical services that you are holding from them. This information will be used for academic purpose and the responses will be treated in strict confidentiality. In advance, I thank you very much for active cooperation.

Section I: Customer Relationship Quality and Loyalty.

Given below are the items focusing on your experience with ***St. Gabriel Hospital*** relating to the medical services that you are maintaining with it. Please (√) the box describing the extent of your agreement/disagreement with the following statements.

SN	Items	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neutral</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
1	The hospital provides safe healthcare services to its patients (feeling to be protected).					
2	The hospital's promises are reliable to all its patients.					
3	St. Gabriel hospital is consistent in providing quality medical services					
4	Staff of the hospital shows respect to their patients					
5	The hospital makes and fulfills its obligations and promises to its patients.					
6	I have confidence in all healthcare services of St. Gabriel hospital.					
7	The hospital provides timely and truthful information to all its patients.					
8	St. Gabriel hospital provides quick information when there is a new service on offer.					
9	All information provided by the hospital is always accurate.					

10	This hospital offers customized health related services to meet its patients' needs.					
11	St. Gabriel hospital makes adjustments to suit my health related service needs (pharmacy, ward etc.).					
12	The Hospital is flexible in providing health services of various types.					
13	St. Gabriel hospital is flexible in serving my needs related to medicare.					
14	The hospital tries to avoid potential conflict/ complaint(s).					
15	St. Gabriel hospital has the ability to openly discuss on solutions when problems arise.					
16	The hospital tries to solve noticeable conflicts before they face problems.					
17	The hospital shows high professionalism in its services to patients.					
18	My relationship with the hospital fulfills all my expectations related to medicare.					
19	My relationship with the hospital meets my healthcare objectives.					
20	My relationship with this Hospital is pleasurable and attractive					
21	I have a good relationship with the hospital staff.					
22	The hospital regularly assesses customer satisfaction for improving its services					
23	The hospital gives special incentives/privileges to regular patients					
24	St. Gabriel hospital makes effective use of latest technology to offer better healthcare services					
25	St. Gabriel hospital carefully evaluates evolving needs of the patients					
26	I would definitely recommend this Hospital to someone who seeks my advice					
27	I would continue to be a customer of this Hospital even if its prices increased					

28	I wish to have more healthcare services when required in future, provided by St. Gabriel hospital					
29	I am very likely to switch to another health centre that is more competent in offering medical services					
30	Most of the people are willing to switch to other medical service providers those are more competent in offering healthcare solutions					
31	I feel happy to be with St. Gabriel hospital as medical service provider					
32	Most of the patients feel happy to be with St. Gabriel hospital as their service provider					

Section II: Overall Customer Satisfaction

1. How **satisfied** are you with the overall healthcare services of St. Gabriel General hospital?

- A. Highly Satisfied B. Satisfied C. Neither satisfied nor
dissatisfied D. Dissatisfied E. Highly Dissatisfied

Section III: Personal Profile. Please indicate your answer by ticking (√) the appropriate choice.

- 1) Age: A) Less than 18 years B) 19 – 25yrs C) 26 – 35 years
D) 36 – 45 years E) 46+ years
- 2) Sex: A) Male B) Female
- 3) Education: A) Less than 10th B) 10th/ 12th C) College Diploma
D) First Degree E) Masters & above
- 4) Occupation: A) Government Employee B) Private Organization Employee
C) Running Own Business D) Student
E) Others (Please specify).....
- 5) Monthly Income (in ETB): A) Less than 1000 B) 1001-2000
C) 2001-3000 D) 3001-5000 E) 5001-10000
F) Above 10000
- 6) What kind/type of healthcare services do you receive (e.g. OPD, ENT, Gynecological etc.)?
- 7) How long have you been using the medical services of St. Gabriel hospital?years.

