



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE GRADUATE PROGRAM IN
MARKETING MANAGEMENT

Factors Affecting Customer Loyalty of Public and Private Hospitals in
Addis Ababa: A Comparative Study

By: Rute Bekele

Advisor: Mesfin Workineh (PhD)

Thesis submitted to Addis Ababa University School of Commerce Department of
Marketing Management in Partial Fulfillment of the Requirements for the Degree of
Master in Marketing Management

March 2023

Addis Ababa, Ethiopia

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Letter of Approval

Addis Ababa University School of Commerce

This is to accept that the thesis prepared by Rute Bekele, entitled: Factors Affecting Customer Loyalty of private and public hospital in Addis Ababa: Comparative Study which is going to be submitted to the partial fulfillment of the requirements for the award of the Degree of Master of arts in marketing management complies and meets the accepted guidelines with respect to the university's expectations.

Approved by the Board of Examiners:

Advisor: Mesfin Workineh (PhD) Signature _____ Date _____

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Statement of Declaration

I, the undersigned, declare that, this research paper is my original work, has never been presented in this or any other university, and that all resources and materials used herein have been duly acknowledged,

Name: Rute Bekele

Signature: _____

Date: _____

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Acronyms and Abbreviations

Q:	Quality
T:	Trust
I:	Image
S:	Satisfaction
SC:	Switching cost
P:	Price
L:	Loyalty
VIF:	Variance inflation factor

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Abstract

The purpose of this study is to examine factors that affect customer loyalty of public and private hospital in Addis Ababa. The study used an explanatory research design to identify any causal links between the research variables (quality, trust, image, satisfaction, switching cost and price). The research examines whether quality, trust, image, satisfaction, switching cost, and price affect customer loyalty. By using the convenience sampling technique, primary quantitative data were collected via questionnaires from 192 private hospitals patients and 193 public hospitals patients (a total of 385 patients from public and private hospitals). For data analysis, the statistical package for the social sciences (SPSS) was used. T-test (used to compare the hospitals), correlation and regression (to identify the relationship between the variables) are used to generate an effective study output. The T-test result shows price and switching cost have significant mean differences. The positive mean difference on price indicates that public hospital is more reasonable than private hospital prices. The mean difference on switching cost indicates the patient high tendency of shifting the current hospital in private hospitals than public hospital. The correlation result shows all variable except switching cost are positive and significant effect on customer loyalty. The result of regression analysis shows trust, image, satisfaction, and price have a positive and significant effect on consumers' loyalty to public hospitals. The remaining two variables, quality and switching, have no significant effect on customer loyalty. image, satisfaction, and price have a significant positive effect on customer loyalty, but quality, trust, and switching variables have no significant effect on the customer's loyalty in the case of a private hospital. Finally, it was recommended that both hospitals should evaluate their customer satisfaction carefully by setting schedules. Private hospitals are encouraged to improve and work hard on price setting activities.

Key words: Loyalty, Quality, Trust, Image, Satisfaction and Switching Cost

CHAPTER ONE

INTRODUCTION

This chapter provides an introduction to the study of variable influence patient loyalty in hospitals. It then examines the study's background of the study, Statement of the problem, research question, research objective as well as its significance, its scope, its limitations, its organization and definitions of terms.

1.1 Background of the Study

Loyalty is defined as the customer's strong intention to once again buy the same products or service from same company. Strong loyalty managers to maintain the repurchasing activities of customers, who then have a tendency to suggest that other purchase of the same services. (Wong, Chew and Loh, 2015)

Customer loyalty is one of the most important issues organizations face today. Creating loyal customers has become more important due to significant increase in competition and concentrated markets. Businesses are trying to attract and satisfy customers and to build long term relationship through building loyalty among customers (Waheed, Abus, Imran &Hasen, 2010)

Customer loyalty is the basis of a company's continued competitive advantage. It measures customer retention its terms of the number of returning customers, business referrals and word of mouth. Therefore, development and enhancement of loyalty is a critical factor in the growth and performance of company. (Wong, Chew and Loh, 2015)

The cost of acquiring a new customer is significantly higher than the cost of keeping an existing customer; additionally, a newly acquired customer may be unresponsive to the company's marketing initiatives and quickly select a rival supplier; long-term, content customers spend more money and thus increase the company's profits; The price of obtaining a new customer is much more expensive than the price of keeping an existing customer.

Due to the aggressive competition in the service sector, businesses are now more anxious than ever about retaining their current clientele and acquiring new ones. Additionally, the business needs to be more considerate of its relationships with customers, especially with long-term

clients. Building and maintaining consumer loyalty is a crucial component of competing successfully.

Studies showed that the following important factors influence customer loyalty: Service quality, trust, corporate image, satisfaction, switching cost and price. A high quality of service will ensure that the customers stay loyal and continue to use the services. One effective way to achieve loyalty is through trust. Trust will facilitate transactions with customers and lead to customer loyalty. The greater level of customer trust with the relationship, the greater customer will be loyal. (Mizra, Muslim & Ahmad 2017) Customers who have a positive image of a company are more likely to prefer that product over competing ones, which is an indication that the producer should be taken into when making future decisions. Patient satisfaction (satisfaction) will create good expectations for the hospital and will increase the tendency of patients to make a return visit. The price the customers pay serves as the starting point for brand comparisons and as a measure of the market's response.

Therefore, this study tried to identify factors affecting customer loyalty in a hospital found in Addis Ababa by focusing on six factors: quality, trust, image, satisfaction, switching cost, and price.

1.2 Statement of the Problem

The health-care sector is among the largest and fastest-growing in the world. The quality of health centers and loyalty are key factors that enable health care providers to improve their services and cost-effectiveness. Competition among health care centers helps to improve the quality of their services and promotes innovative interventions, thereby benefiting patients as consumers. (Febri, Stefanus, Ernawaty & Retno, 2020)

Gaining new customers is no longer a proven strategy to make money and prosper in the health-care industry; rather, maintaining existing customers is more important. As a result, it is believed that customer loyalty is essential to the health-care sector's performance, sustainability, and profitability.

Customer loyalty is one of the key factors and can help a company achieve long term success (Adepoju 2012). Customer loyalty must be considered in any organization's customer strategy. Finding strategies to improve customer loyalty is of interest to managers, consultants, and

academic scholars alike. This subject is important because it affects consumer purchasing of goods and services. Successful organizations and enterprises have a considerable advantage over their opponents in the marketplace.

Patient loyalty has a huge influence on the survival of hospital. Because loyal patients do not only make repeated visit, but can also act as loyalty advocators, namely patients who voluntarily recommend hospital products or service to friends, relatives, and other community groups, although they may not necessarily become repeat visitors. Loyal consumers not only increase value in business, but can also attract new customers, so that loyal patients can increase the number of patient visits and have an effect on hospital income. (Irma, Mapeaty and Sudiro 2020).

According to various earlier studies, there are a number of factors that affect hospital patient loyalty. One of them is research by Irma, Mapeaty & Sudiro (2020) which states that loyal patients are influenced by service quality and patient satisfaction. Research by Mohd, Nor & Affendy (2015) found that the variable of service quality and corporate image had a significant effect on customer loyalty in private health-care service. Research by Endang, Arif, Rahmat & Ahman (2022) Service quality, Image and Price /Tariff had a significant effect on patient loyalty. However, trust did not significant effect on patient loyalty.

Different kinds of studies on the variables influencing customer loyalty have been done in our country. One of these studies, by Fetawek (2017), examines the variables that influence customer loyalty and concludes that Trust, Commitment, Satisfaction, Image, and Switching Cost have a substantial impact. Researched by Seada (2021), examines the trust, image, commitment, satisfaction, and switching cost have a significant and positive effect on customer loyalty. Researched by Senait (2016) Image, trust and switching cost has positive relationship with customer loyalty and customer satisfaction and commitment has no significant effect on customer loyalty on Ethiopian Airlines.

In order to make this study more significant, I add two additional variables: service quality and price. To the best of the researcher's knowledge, limited research has been conducting by comparing public and private hospital.

Because of the findings of past studies, I got interested in researching the factors impacting patient loyalty in public and private hospitals.

This study investigated the key factors that affect customer loyalty in public and private hospital in Addis Ababa in an attempt to help the hospitals in taking a broader view on how to support its customers and ultimately attract more loyal ones.

1.3 Research Question

Main Research Question

- What are factors affect customer loyalty of public and private hospital?

Sub – Research Question

- Does service quality affect customer loyalty of public and private hospital?
- Does trust increase customer loyalty of public and private hospital?
- Does image influence customer loyalty of public and private hospital?
- Does Customer Satisfaction increase Customer Loyalty of public and private hospital?
- In the context of higher hospital, can switching cost affect consumer loyalty of public and private hospital?
- Does price affect customer loyalty of public and private hospital?

1.4 Objectives of the study

General objectives

- The objective of this study is to investigate factors that affect customer loyalty in public and private hospitals.

Specific Objectives

- Investigate service quality has effects on customer loyalty in public and private hospital.
- To investigate whether client loyalty at higher Hospital (both public and private) is influenced by trust.
- Investigate hospital image influence on customer loyalty in higher Hospital (public and private hospital).

- Examine whether client loyalty at higher Hospitals (both public and private hospitals) is impacted by customer satisfaction.
- To examine whether switching cost has an influence on customer loyalty in private and public Hospital.
- Investigate price has effects on customer loyalty in public and private Hospital.

1.5 Significance of the Study

Customer loyalty is key factor for success. In addition to this retaining and existing customer is cheaper than acquiring a new one. Studies show that getting a first-time customer is five times more expensive than retaining a loyal one. Long-term profitability, market share growth, and competitive advantage can all be achieved through strong customer loyalty. Therefore, this research will help to management of higher hospital to build strong customer loyalty and to improve their service quality. In addition to this knowing the variables that influence patient loyalty will help to enhance the number of loyal customers and the number of visits from those customers in the future. This study can be used as a reference for further research in the area of customer loyalty in the healthcare sector.

1.6 Scope of the Study

This study's limited on factors that influence customer loyalty in public and private hospital and tried to compare them. This study largely focuses on the six constructs of quality, trust, image, satisfaction, switching costs and price while there are many other factors that affect consumer loyalty as well. There are a lot of public and private hospitals in Ethiopia, but data was collected from only two private and two public hospitals. From methodological point of view the research will bound on quantitative approach and explanatory design.

1.7 Limitations of the study

Numerous variables, such as customer happiness, quality, price, switching costs, working hours, service life cycles, reputation, location, assortment, payment options, supporting services, service provider environments, etc., have an impact on customer loyalty. However, only the six constructions will be the subject of this investigation.

1.8 Organization of the Study

The research will be divided into five major Chapters.

Chapter One: The first chapter, which also serves as an introduction, covers the background, issue statement, research objective, scope, and limitation, as well as the significance and organizational structure of the study.

Chapter Two: The second chapter's major subject is a review of related literature.

Chapter Three: The third chapter will be about study design and methods (methodologies) to be employed.

Chapter Four: The fourth chapter will include Results and Discussion.

Chapter Five: The fifth chapter contains a summary of the findings, conclusions, and suggestions. Then, references and an appendix will be given.

1.9 Definition of Terms

Customer loyalty: customer loyalty is defined as the likelihood that the previous customer buys it demanded product from the same organization. (Awais, Amir, Rizwana & Shrbaz, 2021)

Service Quality: is the excellent service that meets or exceeds customers' need, hence, creating customer satisfaction and customer loyalty (Peeticha & Chenin, 2018).

Trust: Is the belief that one part's promise is serious and the other part fulfils his obligations in the selling relationship (Claudia, 2014)

Corporate Image: The corporate image is the mental picture developed in the customer's mind. (Awais, Amir, Rizwana & Shrbaz, 2021)

Satisfaction: is the consumer's fulfillment response. It is judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment. (Zeithaml, Bitner and Gremler Page 110)

Switching Costs: The switching cost is the cost experienced or incurred by the customer due to changing its brand, supplier, or products. (Awais, Amir, Rizwana & Shrbaz, 2021)

Price: Price is a monetary or non-monetary amount that contains certain utility needed to obtain a product.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

In order to give readers a better grasp of the topic, this chapter provides a review of related research in the area of factors that affect customer loyalty. Reviews of theoretical, empirical studies and conceptual framework are examined.

2.1 Theoretical Review

Nowadays in Companies paid much attention to client relationship management. The term “customer loyalty” began to develop actively in the 80 -e years. (Elena, Nerasova, Marian and Vadim, 2016) Loyalty implies consistent repurchase of a brand resulting from positive affinity of consumers towards the brand or the product.

Some academics define client loyalty as repeat business, while Jacoby and Chestnut (1978) suggested that loyalty involves psychological dimensions in an effort to distinguish it from behavioral definitions (i.e., repeat business). According to their analysis, the use of consistent buying as a measure of loyalty may be mistaken due to haphazard purchases or a desire for convenience, while irregular buying may conceal loyalty in the case of multi-brand loyalty among customers.

Frequent purchases were historically the definition of the customer loyalty construct, but literature has since developed to take into account multiple dimensions, including behavioral, attitudinal, and composite. The attitudinal component, which has been linked to an emotional and psychological feeling of commitment and attachment, has been defined as "a deeply held commitment to repurchase a specific product, service, or brand." Behavioral loyalty refers to measures like frequency and durability of transactions, share of wallet, and repeat purchases. Finally, the composite view has been emphasized in recent articles on consumer loyalty. The causes of client loyalty have also been a topic of discussion. These causes include customer happiness, trust, loyalty, and, more recently, customer engagement. However, in these debates, customer loyalty today often is being discussed as a dependent variable (i.e., as an outcome (rather than attempting to understand its nature as multifaceted construct, especially from the customer’s perspective. (Elina and Hannu, 2020)

According to Medha (2015) Customer loyalty is a multidimensional concept which consists of behavioral and attitudinal rudiments.

According to Elena, Nerasova, Marian and Vadim (2016) Consumer loyalty are divided into behavioral and perceived. Monitoring behavioral loyalty is carried out by observing the actual behaviour of the client and is the method of implementation of a retrospective transactional analysis of its consumer activity. Emotional loyalty of customers is reflected in their level of awareness about the organization and about their needs they can satisfy, taking advantage of its products or services, as well as in the level of customer satisfaction with the company's offerings, their quality and service provided by the organization. In addition, an important component of perceived customer loyalty is the emotional level of customer's perception of the company. For most complete and comprehensive assessment, it is the most appropriate to the use an approach that involves monitoring of both behavioral and perceived of customer loyalty.

Loyalty is a concept has its roots from the consumer behavior theory and is something that consumers may exhibit to brands, services, or activities.

Brand loyalty is not a simple concept. A basic issue among researchers is whether to define the concept in terms of consumer behavior or consumer attitudes. To cognitive learning theorists, behavioral definitions (e.g., frequency of purchase or proportion of total purchases) lack precision, because they do not distinguish between the "real" brand-loyal buyer who is intentionally faithful, and the spurious brand-loyal buyer who repeats a brand purchase because it is the only option available at the store. Such theories say that brand loyalty must be measured by attitudes toward a brand, rather than by purchase consistency.

Much of the research over the past three decades looks into consumer loyalty from two perspectives which are behavioral loyalty and attitudinal loyalty. Behavioral loyalty means the frequency of repeating the purchase. Which attitudinal loyalty refers to the psychological commitment that a consumer makes in the purchase, example like intentions to purchase and intentions to recommends. (Endang, Arif, Rahmat, Ahman and Euis (2022).

Customer Loyalty Indicators

According to Isra and Uun (2019) Indicators of customer loyalty are as follows:

- Make regular purchases or repurchase
- Purchasing other products is not one product
- Recommend products or services to others
- Consumer do not easily switch to competing products

Factors affecting loyalty

Different studies show there are number of common factors affecting loyalty i.e., Service quality, image, trust, satisfaction, switching cost, perceived value and price.

Service quality

Service quality is the excellent service that meets or exceeds customers' need, hence, creating customer satisfaction and customer loyalty (Peeticha & Chenin, 2018).

According to Zeithaml, Bitner and Gremler (2013) In the case of pure service (e.g., health care, financial service, education), service quality will be the dominant element in customers' evaluations. In cases in which customer service or services are offered in combination with a physical product (e.g., IT services, auto services), service quality may also be critical in determining customer satisfaction.

Service quality dimensions

Research suggests that customer do not perceive quality in a uni-dimensional way but rather judge quality based on multiple factors relevant to the context. The dimensions of service quality have been identified through the pioneering research of Parsu Parasuraman, Valarie Zeithaml, and Leonard Berry. Their research has identified five dimensions of service quality that apply across a variety of service contexts.

Reliability: Ability to perform the promised service dependably and accurately.

Responsiveness: willingness to help customers and provide prompt service.

Assurance: employees' knowledge and courtesy and their ability to inspire trust and confidence.

Empathy: caring, individualized attention given to customer.

Tangibles: appearance of physical facilities, equipment, personnel, and communication materials.

Corporate image

Corporate images are perceived as the mental pictures of the organization. It is the sum total of these perceived characteristics of the corporation that we refer to as the corporate image. Every organization has its image whether the organization does anything about it or not. (Adenike, Omotayo & Oni-ojo 2015)

According to (Mohd, Nor and Affendey, 2015) Corporate image is defined as the perception of an organization that customers' hold in their memories. Although image is an intangible concept, it is proven that a good image demonstrably increases corporate worth and provides sustained competitive advantage. A business can achieve its objectives more easily if it has a good image and reputation among its stakeholders, especially key stakeholders such as its largest customer, opinion leaders in the business community, supplier and current and potential employees.

Hence, building a positive brand image can influence repeat purchase because a strong brand image can lead to customer loyalty.

Corporate image includes information and inference about the company as an employee, employer, customer, community, supplier and as a corporate citizen.

Trust

Trust arising from a long process. If the trust has existed between the customer and the company, then the effort to foster cooperative relationships will be easier. Trust arising indicated by an earned credibility of the other party because it has the desired expertise to perform a task. Confidence can also be obtained by doing something the best thing to another party through a relationship. (Sorayanti 2015)

According to Barnes (2004) "The trust involves the willingness of a person to behave in particular because of the belief that its partners will deliver what he expected with a general expectation that a person that says, warranties or representations of other people can be trusted".

Trust is one the major group of factors affecting loyalty. Trust is the cornerstone for a successful and lasting relationship with customer. Trust has been defined as users' thoughts, feelings, emotions or behaviors that occur when customers feel that the provider can be relied upon to act in their best interest when they give up direct control. Trust has been conceptualized in the literature as "a willingness to rely on an exchange partner in whom one has confidence. Trust is built when the service provider is interested in satisfying the customer needs, and provides products and services that create customer value. Effective customer's retention helps firms to grow in size and popularity, thereby increasing their profitability. Trust also exists when one party has confidence in an exchange partner's reliability and integrity. Trust, in social psychological science is the belief that other people will react in predictable ways.

In the context of a buyer-seller relationship, trust is considered as the belief of one party on the reliability of the other party, and its willingness to fulfill his or her obligations in the exchange relationship. In brief, trust is a belief that one can rely upon a promise made by another, therefore trust can be viewed as trusting belief and trusting intention. All of the social relationships' world fail and not able to function normally without trust. When a customer trusts a service provider, their loyalty towards the vendor will increase.

Satisfaction

Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment.

Although customer satisfaction tends to measure at a particular point in time as if it were static, satisfaction is a dynamic, target that may evolve over time, influenced by a variety of factors. Particularly when product usage or the service experience takes place over time, satisfaction may highly variable, depending on which point in the usage or experience cycle one is focusing on. Similarly, in the case of very new service or a service not previously experienced, customer expectations may be barely forming at the point of initial purchase; these expectations will solidify as the process unfolds and the customer begins to form his or her perceptions. Through the service cycle the customer may have a variety of experiences some good, some not good and each will ultimately impact satisfaction.

What determines customer satisfaction?

According to Zeithaml, Bitner and Gremler (2013) Customer satisfaction is influenced by specific product or service features, perceptions of product and service quality, and price. In addition, personal factors such as the customer's mood or emotional state and situation factors such as family member opinions influence satisfaction.

Product and service features

Customer satisfaction with a product or service is influenced significantly by the customer's evaluation of product or service features. For a service such as a resort hotel, important features might include the pool area, access to golf facilities, restaurants, room comfort and privacy, the helpfulness and courtesy of staff, room price, and so forth. In conducting satisfaction studies, most firms determine through some means (often focus groups) what the important features and attributes are for their service and then measure perceptions of those features as well as overall service satisfaction. Research has shown that customers of service make trade-offs among different service features (e.g., price level versus quality versus friendliness of personnel versus level of customization), depending on the type of service being evaluated and criticality of the service.

Customer emotions

Customers' emotions can also affect their perceptions of satisfaction with products and services. These emotions can be stable, preexisting emotions for example, mood state or life satisfaction. Think of times when you are at a very stage in your life (such as when you are on vacation), and your good, happy mood and positive frame of mind have influenced how you feel about the services you experience. Alternatively, when you are in a bad mood, your negative feelings may carry over into how you respond to services, causing you to overreact or negatively to any little problem.

Loyalty of customers is considered to be a function of satisfaction and loyal customers contribute to company profitability by spending more on company product and services, via repeat purchasing, and by recommending the organization to other consumers. Therefore, satisfaction is a necessary precondition for building long term customer relationships and likely to increase loyalty. Satisfaction is one of the most important factors increasing customers' loyalty. (Zeyad M.EM. Kishada, 2013)

Switching cost

Switching cost is one the most important factors that affect customer perception, switching cost consist of time, cost and effort of the customer when they attempt to change to another firm. In addition, switching cost has a direct affect to customer loyalty. The level of difference of competitive and switching cost between makes the customer have more alternatives and choice to choose from to satisfies their need. To measure the relationships between switching cost and customer loyalty have use 3 values: time, effort of customer and money when moving to another supplier. Broadly switching cost is the difficulties for customer to change to another alternative's product or services, if the cost for them to change to another suppler was comparatively lower than the one they are using they are more likely stop using that product and change to the other one. In the other switching cost can be counted as an and perceptional factors of customer, it is how customer think about the specific product or services, if they think it better than the rest, they are not likely to change, if they think the product is not giving them the value that they think it should be they will change.

Types of Switching Cost

There are three types of switching costs: Transaction, learning and contractual. Transaction cost are costs that occur when starting a new relationship with a provider and sometimes also include the cost necessary to terminate an existing relationship. Learning costs represent the effort required by the customer to reach the same level of comfort of knowledge acquired of using a product but which may not be transferable to other brands of the same product. Contractual costs are directly firm-induce in order to penalize switching by customers. It includes example such as repeat-purchase discounts or rewards and frequent flyer programmes. Contractual switching costs can also be created when the customer signs an undertaking to remain loyal for a certain period of time or pay an exit penalty. (Albert 2003)

Price

According to Endang, Arif&Rahmat (2022) Price is the value that consumers exchange for a benefit for consuming, using, or owning a product. Price is a means of communication with buyers. The price received by the buyer is the basis for comparison with other brands, and as a tool for obtaining market response.

Price is an important element in the marketing mix. Price is the sum of all the values that consumers exchange for the benefits of having or using the product or service. In a buyers' market, price can be defined as the amount of money that a consumer is willing to pay for the benefits of having or using a product. In a seller's market, price is the amount of money changed by the seller in exchange for a product. The concept of product is also related with the concepts of utility and value. With this regard price can be defined as the monetary expression of the value of a product.

Price is one of the marketing mix elements requiring careful considerations. It is because price contains some strategic dimensions: 1) Price is a statement about the value of a product; 2) Price is what is obvious to buyers; 3) Price is the main determinant of demand; 4) Price is directly relevant to the company's revenues and profits; 6) Price can be adjusted quickly; 7) Price affects image and positioning strategy; and 8) Price is the number one problem the managers face.

2.2 Empirical Review

According to the finding of Mohd, Nor, &Affendy (2015) independent variable i.e., service quality and corporate image significantly and potentially affect customer loyalty towards private hospital services. Thus, the management of private health-care is to understand their customers' demand and expectations towards their image and services which will increase the customer loyalty and will lead to the profitability and sustainability of the organization.

According to the finding of Endang,Arif, Rahmat, Ahman&Euis (2022) Service quality, clinic image and rate/tariff had a significant effect on patient loyalty. However, trust did not significant effect on patient loyalty.

Waheed, Abdus, Imran & Hasan (2010) in their study verify key factors that have impact on customer loyalty. The dependent variable of this study 'customer loyalty' is influenced by the four independent variables namely image, satisfaction importance of relationship and trustworthiness. Image is the key factor that provides satisfaction to the customer regarding attributes of the product. Satisfied customers become loyal and dissatisfied customers move to another vendor. Trustworthiness of the partner is a factor that has certain impact on the establishment of loyalty nobody expects a long-term relation with partner that cannot be trusted.

Good relationship bond between the customer and the product guarantee customer loyalty for the product.

According to Dr. Adpoju & Suraju (2012) Service quality, customer satisfaction and corporate image are important determinants of customer satisfaction and loyalty in the Nigeria's GSM Market and price/tariffs is not determinant of customer satisfaction and loyalty.

Claudia (2014) identifies satisfaction, habit, trust, switching costs, Perceived risk, involvement and commitments are determinants of customer loyalty and all these factors are positive correlation with loyalty.

According to the finding of Jeffrey & Maskarto (2019) customer loyalty can be caused by several factors including good service quality, competitive prices, and satisfaction with product quality.

According to the finding AlaaSelam Jameel, Mohammed A. Mohammed Ali (2016) service quality, satisfaction, reputation and trust four important factors that influence internet users to change service providers. Loyal customers not only increase the value of business, but also enable to maintain costs lower than those associated with attracting new customers. Customer loyalty has become a key factor for success in the service industry.

According to finding of Qais and Mohammed (2017) six factors: service quality, perceived enjoyment, technological perceptions, perceived value, Trust, and customer satisfaction have significant influence on customer loyalty. Service organizations should take extra effort to improve service quality, perceived enjoyment, trust, perceived value, technological perceptions and satisfaction, particularly perceived value level in their efforts to attain higher level of customer loyalty.

According to the finding of Wong Foong Yee, Chew Soo Ling and LohKian Leong investigate the effects of service quality, customer value and corporate image on customer loyalty in the telecommunication industry in Klang Valley, Malaysia. The relationship between service quality, customer value and corporate image with customer loyalty was examined and the findings revealed that all independent variables had significant positive relationships with customer loyalty.

According to Claudia Bobalca identify trust, satisfaction, habit, switching costs, commitment, involvement and perceived risk are determinants of customer loyalty.

2.3 Hypotheses

Quality: is a global judgment or attitude relating to particular service; the customer's overall impression of the relative inferiority or superiority of the organization and its services. Good service quality reciprocally offers of customer loyalty. Service quality has a direct and positive outcome on customer loyalty (Qais and Mohammed, 2017).

H1: Quality has significant and positive effect on public and private hospitals customer loyalty

Image: is the target and mental feedback of the consumer when they buy products. Positive brand image is exceeding the customer desires. It also improves the goodwill and brand worth of an organization (Ahmed &Maham, 2020). Many researchers used image attributes as a measure of customer loyalty.

H2: Image has a significant and positive effect on public and private hospitals customer loyalty

Trust: To achieve the loyalty of many ways that can be done by the company. One effective way to achieve loyalty is through trust. Trust is customer awareness of the expectations of the brand's performance base on the experience and confidence embodied in the form of an attitude. By creating trust, it will generate loyalty. (Sorayanti, 2015)

H3: Trust has significant and positive effect on public and private hospitals customer loyalty

Satisfaction: Customer satisfaction and customer loyalty are two dimensions of the most significant concept in relationship marketing. Customer satisfaction is a key operational element for sustainable customers' behaviour. In addition, customer loyalty enhances business value and cost-effectiveness to business. Many studies have shown customer satisfaction an important factors of customer loyalty.

H4: Satisfaction has significant and positive effect on public and private hospitals customer loyalty

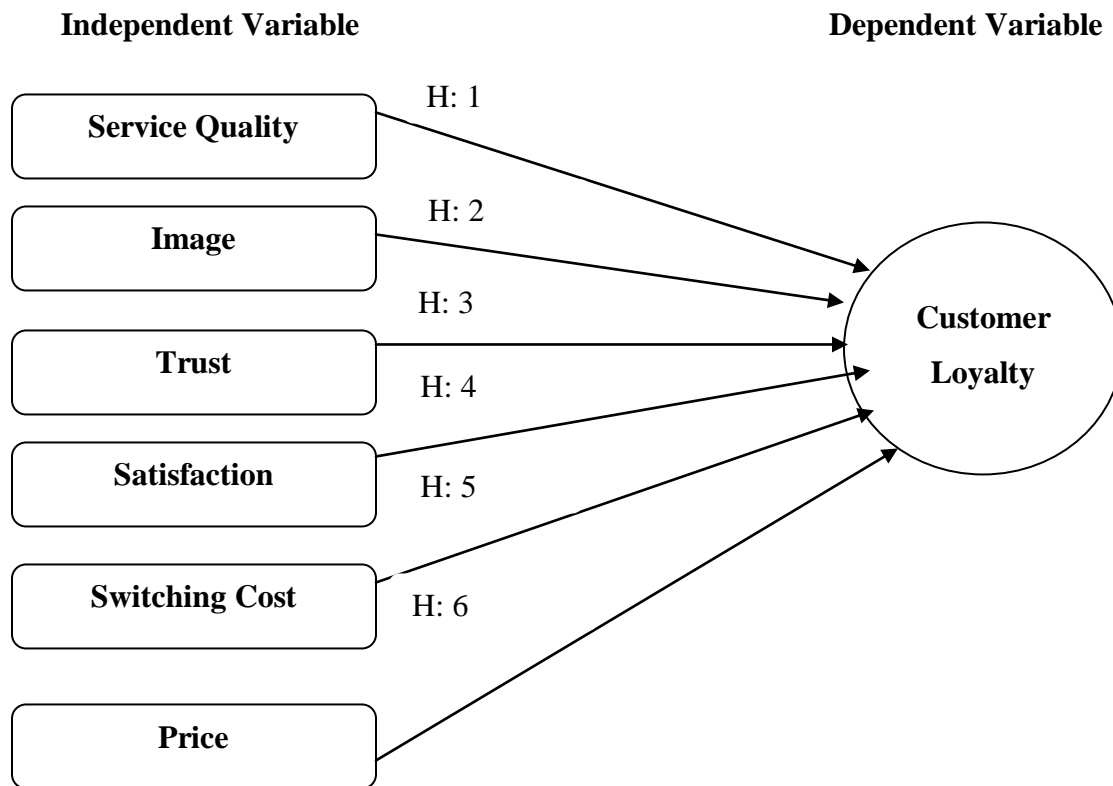
Switching Cost: Switch costs are connected to the replacement of the actual supplier or to the barriers build to retain clients (Claudia, 2014). Switching cost directly correlated with customer loyalty.

H5: Switching cost has significant and positive effect on public and private hospitals customer loyalty

Price: Price is the sum of all the values that consumers exchange for the benefits of having or using the product or service (Endang,Arif, Rahmat&Ahman, 2022). Price significance influence on Customer loyalty.

H6: Price has significant and positive effect on public and private hospitalscustomer loyalty

2.4 Conceptual Framework



Source: adapted from ClaudiBobalca (2014), Endang,Arif, Rahmat&Ahman (2022) & Quasi & Mohammed (2017)

Figure: 2.1

CHAPTER THREE

RESEARCH METHODOLOGY

The research methodology that was used for this study will be discussed in this chapter. The research approach, the research design, data type and data sources population of the study, sampling procedure, data gathering instrument, data analysis technique reliability and validity and finally ethical concerns related to the study will be discussed and addressed.

3.1 Research Approach

Each researcher uses one or more techniques to collect data. The techniques can be classified into two groups: qualitative, which uses words or visuals to collect information, and quantitative, which uses statistics to collect information. This inquiry will include quantitative data because quantitative data are more scientific.

3.2 Research Design

This research is explanatory type research. The explanatory approach looks for a solution to a problem that has already been solved. Why questions are the focus of explanatory research. Investigating root cause effect relationships is done using this strategy. Finding any causal connections between the variables or factors relevant to the study problem is the primary goal of explanatory research.

This study is being conducted to examine the factors affecting customer loyalty and identify those factors that significantly influence customer loyalty in the case of public and private hospitals because the goal of explanatory research is to identify links between dependent and independent variables related to the research problem.

3.3 Data Type and Data Sources

There are two types of data: primary and secondary data. Primary data are by definition distinct because they are newly collected and are being used for the first time. The opposite of primary data is secondary data, which refers to information that has previously been obtained and subjected to a statistical analysis by another party.

This research used primary data collect by means of questionnaire and secondary data will collect from books and different journals.

3.4 Population of the Study

A population is made up of all the components (individuals, things, or objects) whose qualities are being studied. Due to time and financial constraints, it is challenging to evaluate all hospital found in Addis, so the target population for this study is patients of 385 public and private hospital (193 Public hospital patient and 192 private hospital patient).

List of Hospital

Table 3.1

Public Hospital	Private Hospital
Tikur Anbesa Hospital	Hallelujah General Hospital
Zewditu Memorial Hospital	Betezata Hospital

3.5 Sampling Procedure

There are two categories of sampling: probability sampling and non-probability sampling. Probability sampling techniques include simple random sampling, systematic sampling, stratified random sampling, cluster sampling, and multistage sampling.

Non-probability sampling techniques include deliberate sampling, mall intercept sampling, sequential sampling, quota sampling, snowball sampling, panel sampling, and convenience sampling.

A sample referred to as a "sample of convenience" is one whose constituents were selected from the target population based on their accessibility or usefulness to the researcher. Convenience sampling utilizes who are available and convenient for study.

Convenience sampling wereused for the sample for this study.

Sample size

The variability of the phenomenon being studied and the necessary level of estimate confidence (z) are directly connected with sample size, while the researcher's tolerance for mistake is inversely correlated. When the population size is unknown and previous research cannot be used to reach consensus on the variability of an estimate over all viable samples, the sample size is

determined for the least desired scenario $P = q = 0.05$. Since the study's total population is unknown, the standard deviation, 95 percent confidence interval, and sample size are calculated using the formula below. It is predicated on Corbetta's suggestion.

$$N = \frac{Z^2 p * q}{e^2}$$

n= required sample size

z= Degree of confidence (i.e., 1.96)²

p= Probability of Positive response (05)

q= probability of negative response (0.5)

e= Tolerable error (0.05)

Therefore:

$$n = (1.96)^2 * 0.5 * 0.5 / (0.05)^2$$

n= **385 Respondent**

3.6 Data Gathering Instruments

Accurate and consistent data collecting is essential for scientific study. Data gathering allows us to collect information about our study objects that we want to collect.

Many different methodologies can be used for data collection and analysis. Most are based around a core set of basic tools. These include interviews, focus group discussions, observation, photography, video, surveys, questionnaires and case studies.

A questionnaire is a data collection instrument consistent of a series of question and other prompts for the purpose of gathering information from respondents.

Questionnaires were used for this research.

3.7 Data Analysis Technique

For this study, a paper-based questioner was distributed to patients who were waiting in the Hospital. This study is quantitative research category, which means it deals with data that can be quantified, assigned a numerical value, and evaluated using tools like the statistical computer program SPSS 2023. By using this software descriptive and inferential statistics were analyzed.

3.8 Reliability and Validity

Reliability

Reliability is about consistency of a measure, and validity is about the accuracy of a measure. Reliability refers to the accuracy or repeatability of the test scores. (Cuthbert, Goodheart, 2007) Reliability concerns the extent to which a measurement of a phenomenon provides stable and consist result. Reliability is also concerned with repeatability.

Cronbach's alpha is a way of assessing reliability by comparing the amount of shared variance, or covariance, among the items making up an instrument to the mount of overall variance. The idea is that if the instrument is reliable, there should be a great deal of covariance among the items relative to the variance.

Cronbach's alpha was used to test the reliability of this research, and the pilot test was done for 15 public and 15 private hospital patients.

Table 3.1 Cronbach's alpha

Variables	Number of Item	Cronbaches's Alpha	
		Public	Private
Quality	8	0.849	0.796
Trust	6	0.724	0.857
Image	4	0.683	0.866
Satisfaction	5	0.836	0.835
Switching Cost	6	0.690	0.754
Price	4	0.776	0.712
Customer Loyalty	3	0.902	0.845

Source: own survey result 2023

Cronbach's alpha internal consistency, internal consistency, or computed correlation between all pairs of items, can range from zero to one. A basic rule of thumb is that 0.6-0.7 indicates adequate reliability, whereas 0.8 or greater indicates excellent reliability. Greater than 0.95, on the other hand isn't always a good thing because it can indicate redundancy.

The above table shows the greatest scores are customer loyalty (0.902), quality (0.849) and satisfaction (0.836) for public hospital and image (0.866), trust (0.857) and customer loyalty (0.845) for private hospital. In general, the all factors in this study's measuring variable are consistent.

Validity

Validity explains how well the collected data converts the actual area of investigation. Validity basically means "Measure what is intended to be measured". (Hamed, 2016)

The questionnaire data were collected from the published articles from credible sources and the content validity were verified by collecting feedback from experts in the area. Reliable sources were used to collect the data. In addition to this pilot test was made to check the questions were clear and consistent.

3.10 Ethical Consideration

In this study, the required ethical procedures were followed. Only those who volunteered to receive the questionnaires were given them. The respondent was not required to write their name, and the data was kept confidential. The reference section contains a list of all the works that were used as secondary data in this study.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

This chapter presents the results of the investigation by the researcher based on the methodology stated in chapter three. It includes the general background of the respondents and detailed discussion of the specific objectives, analysis of descriptive statistics, and correlation and regression analyses through SPSS version-23.

4.1 Demographic Analysis

4.1.1 Gender of Respondent

Table 4.1.1

	Public Hospitals			Private Hospitals	
		Frequency	Percent	Frequency	Percent
Gender	Male	94	48.7	103	53.6
	Female	99	51.3	89	46.4
	Total	193	100	192	100

Source: own survey, 2023

In this study as it is observed on the above table majority of the respondents in private hospitals are male which represent 53.6% of the total respondents and majority of the respondent in public hospitals are females which represents 51% of the total respondents. It implies that most of the customers in public hospitals are females while most customers in private hospital are males.

4.1.2 Age of Respondent

Table 4.1.2

	Public hospitals			Private hospitals	
		Frequency	Percent	Frequency	Percent
Age	18-25	36	18.8	25	13
	26-35	59	30.6	84	43.8
	36-45	43	22.3	55	28.6
	Above 46	55	28.5	28	14.6
	Total	192	100	192	100

Source: own survey, 2023

Another important variable on studying consumer behavior is age. In this study the researcher investigate age of respondents based on the result majority of the respondents in both hospitals are aged between 26-35 years. Followed by 28.6% of respondents who are aged between 36-45 for private hospital and 28.1% respondents aged above 45 years for public hospitals. The result implies that consumers of the respondents are distributed in all age categories while most of them are young.

4.1.3 Types of Patients

Table 4.1.3

	Public hospitals			Private hospitals	
		Frequency	Percent	Frequency	Percent
Types of Patients	Outpatient	161	83.4	154	82.8
	Inpatient	32	16.6	33	17.2
	Total	193	100	192	100

Source: own survey, 2023

From 193 public hospital patient 83.4% are outpatient 16.6% inpatient and from 192 private hospital patient 82.8% are outpatient and 17.2% percents are inpatient. This figure shows majority of respondents are outpatient.

4.2 Descriptive Analyses

Descriptive statistics are defined as the process of transforming raw data into knowledge that can be used to characterize a set of dimensions. The researcher uses all of the respondents' questionnaire responses using SPSS version 23 to calculate means, and standard deviation for each scale item for the variables.

Table 4.2.1 Mean criteria

No	Mean range	Response options
1	(1,00, 1.80	Strongly disagree
2	1.80, 2,60	Disagree
3	2.60, 3.40	Neutral
4	3.40, 4.20	Agree
5	4.20, 50	Strongly agree

Source: Lind DA, Marchal WG Wathen SA (2003)

4.2.1 Quality

Different study shows that service quality has linear effect on customer loyalty. The same study also shows that customer service quality has positive effect on loyalty through satisfaction, as well as service quality has a positive and significant effect directly on customer loyalty. The current study tries to investigate the levels of service quality in the case hospitals and the information is displayed in the following table.

Table 4.2.2 Quality analysis

No		Public Hospital		Private Hospital	
		Mean	SD	Mean	SD
1	Providing service at promised time	4.08	1.2	3.93	1
2	Employee understand the needs of patients	3.92	1.2	3.92	.97
3	Willing to help patients	4.18	.99	4.1	.86
4	Maintaining error free records	3.94	.69	3.9	.99
5	Employee have the knowledge to answer patient questions	3.77	1	3.8	1
6	readiness to respond to patients' request	4.03	1.1	3.96	1
7	Giving patients individual attention	3.87	1.1	3.56	1.1
8	The physical environment of hospital is very clean and neat	3.7	1.5	4.3	.95
	Over all	3.97		3.93	

Source: own survey, 2023

Based on the information in the table above, the highest mean value from both respondents' categories is recorded for private hospital respondent on item eight stated as "The physical environment of hospital is very clean and neat" with mean value of 4.3. The mean value is equivalent with response rate of "strongly agree". It implies that private hospitals are striving to keep their organization clean and attractive for consumers.

As it is displayed in the above table the next highest mean value for both public and private hospital respondents is recorded on item four stated as "Willing to help patients" with mean values of 4.18 and 4.1 respectively for public and private respondents. The mean values are equivalent with response rate of "Agree" based on our criterion. It implies that respondents from both categories confirmed that the hospitals employees willing to help their patients.

The remaining items mean values for both categories are ranged from 3.56 to 4.08. base on it the values are correspondent with mean range of “Agree”. It implies that the respondents confirmed that all items of the quality are good in both types of hospitals.

4.2.2 Trust

One effective way to achieve loyalty is through trust. Trust is customer awareness of the expectations of the brand's performance based on the experience and confidence embodied in the form of an attitude. By creating trust it will generate loyalty.

Table 4.2.3 Trust analysis

No		Public hospital		Private hospital	
		Mean	SD	Mean	SD
1	This hospital has a good reputation	4.01	1.3	4.08	.99
2	Staff at the hospital are honest and trustworthy	3.75	1.2	3.67	.98
3	The staff of this hospital cares to solve the inpatients' problems	3.92	1.1	3.91	.93
4	My health care provider offers me the highest quality in medical care	3.7	1.3	3.86	1
5	Doctors fulfilled my expectation	3.93	1.3	3.82	1
6	Reception personnel fulfilled my expectation	3.29	1.5	3.39	1.1
	Over all	3.76		3.86	

From the above table the highest mean value for public hospital respondents and private hospital respondent are 4.01 and 4.08 respectively on item one (This hospital has a good reputation). Both of the mean values are correspondent with response rate of “Agree” based on our criterion. It implies that consumers are confidentially approved that both the public and private hospitals have good reputation

The remaining items; item2, item 3, item 4 and item5 have mean values ranged between 3.69 to 3.93. Based on our criterion all of the mean values are equivalent with mean range of “Agree”. It

implies that the participant from both types of hospitals approved that staff of the hospitals are honest and they are committed to solve the problems facing their patients.

The lowest mean values are reported for item six stated as “Reception personnel fulfilled my expectation” with mean values of 3.29 for public hospitals and 3.39 for private hospitals. Both of the mean values are correspondent with mean ranges of “Neutral”. It implies that respondents are not confidentially confirming the effectiveness of reception service in both private and public hospitals.

4.2.3 Image

Scholars argue that that positive brand image could influence customer loyalty so that they would repurchase more product or service and recommend others to buy products and service. The perception of consumers in the case are is investigate in this study and the information is displayed in the following table.

Table 4.2.4 Image analysis

No		Public hospital		Private hospital	
		Mean	SD	Mean	SD
1	The image of hospital creates trust and confidence in the patient	3.65	1.4	3.9	1.0
2	Reputable hospital is my first choice regardless of treatment costs	3.76	1.4	3.29	1.2
3	The patient will choosing a trustful hospital when is faced with emergencies	3.62	1.5	3.69	1.1
4	Hospital has enough infrastructure and facilities compare to non-profit hospital such as government hospital	3.81	1.3	4.2	.922
	Over all	3.70		3.76	

Source: own survey, 2023

The highest mean value from both types of respondents is reported on item four stated as “Hospital has enough infrastructure and facilities compare to non-profit hospital such as government hospital” with mean value of 4.2 for private and 3.81 for public hospital customers. Both of the mean values are correspondent with mean range of “Agree”. Based on the information it is possible to conclude that respondents from both hospitals confirmed that the hospitals have adequate infrastructure while private hospital users are more confidential.

The lowest mean value 3.29 is recorded for private hospital respondents on item two with a statement of “Reputable hospital is my first choice regardless of treatment costs”. The mean value on this item is correspondent with response rate of “Neutral”. It implies that customers from private hospitals are not confirming that the hospitals are not their first choices.

In general, the overall mean values 3.76 and 3.7 are equivalent with mean range of “Agree”. It implies that responses from private hospitals are scored highest scores but the meanranges from both types of respondents are equivalent with “Agree” levels of response rate.

4.2.4 Satisfaction

Table 4.2.5 satisfaction analysis

No		Public Hospital		Private Hospital	
		Mean	SD	Mean	SD
1	Thinking about this hospital overall, please rate the value you feel you get your money	3.85	1.2	3.65	1.0
2	Overall, how satisfied are you with this hospital? Overall satisfaction	4.01	1.1	3.9	.93
3	Compared with other hospitals, the level of satisfaction was high	3.73	1.3	3.8	1.1
4	Choosing this company has proven a wise decision	3.99	1.2	3.87	.96
5	I consider the organization the first choice among all health care service organizations in the area	3.78	1.3	3.7	1.0
	Over all	3.86		3.78	

Source: own survey, 2023

As it is shown in the table above the highest mean value for satisfaction items is reported on item two stated as “Overall, how satisfied are you with this hospital? Overall satisfaction” which has a mean value of 4.01 from public hospital respondents and 3.9 from private hospital respondents. Both of the mean values are equivalent with response rate of “Agree” it implies that consumers are confidentially evaluating their overall satisfaction level as “Satisfied”.

The overall mean values are also 3.86 for public hospital respondents and 3.78 for private hospital respondents which are correspondent with ‘Agree’ levels of response rate. It implies that customers in both public and private hospitals are satisfied by the service delivered for them.

4.2.5 Switching Cost

Table 4.2.6 Switching cost analysis

No		Public hospital		Private hospital	
		Mean	SD	Mean	SD
1	I worry that the service offered by the other service provider won't work as well as expected	2.6	1.4	2.8	1.2
2	If I try to switch service provider, I might end up with the bad service for while	2.91	1.5	2.81	1.2
3	Switching to a new service provider will probably result in some unexpected hassle	3.35	1.5	2.87	1.2
4	I cannot afford the time to get the information to evaluate fully another service provider	3.52	1.5	3.41	1.2
5	How much time/effort does it take to get the information you need to feel comfortable evaluating a new service provider?	3.95	1.2	3.46	1.2
6	It takes time to go through the steps of switching to a new service provider	3.21	1.4	2.78	1.2
	Over all	3.25		3.02	

Source: own survey, 2023

The highest mean value from both types of respondents is reported on item four stated as “How much time/effort does it take to get the information you need to feel comfortable evaluating a new service provider?” with mean value of 3.25 for public and 3.02 for private hospital customers.

The overall mean values are 3.25 for public hospital respondents and 3.02 for private hospital respondents which are correspondent with ‘Neutral’ levels of response rate. This implies customer have tendency of changing the current hospital.

4.2.6 Price

Table 4.2.7 price analysis

No		Public Hospital		Private Hospital	
		Mean	SD	Mean	SD
1	Hospital has reasonable and suitable pricing	4.05	1.3	2.63	1.25
2	Hospital provide quality service in a cost effective manner	4.09	1.2	2.78	1.26
3	Hospital have more valuable service received compare with other hospital	3.91	1.3	3.28	1.14
4	The medicine used for patients are reasonably priced	3.71	1.3	2.72	1.18
	Over all	3.94		2.85	

Source: own survey, 2023

As it is shown in the table above price has four items. All of the highest mean values are reported on public hospital. For instance the highest mean value 4.09 is recorded on item two (Hospital provide quality service in a cost effective manner) followed by mean values of 4.05 recorded on item three (Hospital has reasonable and suitable pricing) both of the mean values re correspondent with “Agree” based on the criterion. It implies that public hospitals are providing quality service with cost effective manners and they are charging reasonable price for their services.

The overall mean value 3.94 for public hospital also indicates that customers are confirming that public hospitals are setting more reasonable price than private hospitals as the overall mean for private hospitals is 2.85 which is correspondent with “neutral” levels of response rate.

4.2.7 Loyalty

Table 4.2.8 loyalty analysis

No		Public Hospital		Private Hospital	
		Mean	SD	Mean	SD
1	If any emergency m I would like to come back to these hospitals in the future	3.76	1.4	3.58	.97
2	I would recommend these hospitals to my friends or relatives if necessary	3.81	1.4	3.7	1.1
3	I have something positive to say about this hospital to other	4.01	1.2	3.93	1.1
	Over all	3.86		3.73	

Source own survey 2023

From the loyalty items the highest mean values are reported on item three (I have something positive to say about this hospital to other)has mean value of 4.01 from public hospital respondents and 3.93 from private hospitals. It implies that customers in both types of hospitals are ready to provide positive word of mouths and they will recommend others to visit the hospital when they need services

The overall mean values from both types of respondents are 3.86 and 3.73 for public and private respondents accordingly. It implies that customers in both public and private hospitals are loyal.

4.3 Comparison between public and private hospital in all variable

Table 4.3.1 comparison analysis

Dimensions	Mean difference (Public-Private)	T	Sig
Quality	0.035	0.429	.668
Trust	-0.105	-1.19	.231
Image	-0.059	-.643	.06
Satisfaction	-0.084	-0.91	.359
Switching Cost	0.229	2.82	.005
Price	1.089	11.42	.000
Loyalty	0.126	1.16	.245

Source: own survey, 2023

As it is observed in the above table the significance mean difference is reported on the variable of price and switching cost. The positive mean difference on price indicates that pricing of public hospitals is more reasonable than private hospital prices. Moreover, the negative mean differences on switching cost indicate that consumers are high tendency of shifting the current hospital in private hospitals than public hospitals.

The remaining variables mean differences are not significant and the mean differences are happened by chance only. It implies that there is no difference among public hospitals and private hospitals from the aspects of quality, satisfaction, image, trust, and loyalty.

4.4 Inferential Analysis

Table 4.4.1 Correlation rule

Range of coefficient	Descriptive of strength
+0.91 to +1.00	Very strong
+0.71 to +0.9	Strong
+0.41 to +0.70	Moderate
+0.21 to +0.40	Weak
+0.00 to +0.20	No relation

Multiple correlations and the equation describing such a relationship are used when there are two or more independent variables. Pearson correlation was calculated in this context to determine the relationship between independent variables (quality, trust, imager, satisfaction, switching cost, and price) and the dependent variable (customers loyalty).

Table below presents the results of Pearson correlation on the relationship between dependent and independent variables in the case of private hospitals.

4.5 Correlation Analysis

4.5.1 Public Hospitals Correlation

		Correlations						
		Quality	Trust	Image	satisfaction	Switching cost	price	loyalty
Quality	Pearson Correlation	1	.732**	.575**	.618**	.144*	.355**	.441**
	Sig. (2-tailed)		.000	.000	.000	.046	.000	.000
	N	193	193	193	193	193	193	193
Trusts	Pearson Correlation	.732**	1	.696**	.640**	.153*	.369**	.568**
	Sig. (2-tailed)	.000		.000	.000	.033	.000	.000
	N	193	193	193	193	193	193	193
Image	Pearson Correlation	.575**	.696**	1	.695**	.236**	.450**	.634**
	Sig. (2-tailed)	.000	.000		.000	.001	.000	.000
	N	193	193	193	193	193	193	193
Satisfaction	Pearson Correlation	.618**	.640**	.695**	1	.249**	.550**	.667**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	193	193	193	193	193	193	193
Switching Cost	Pearson Correlation	.144*	.153*	.236**	.249**	1	.122	.266**
	Sig. (2-tailed)	.046	.033	.001	.000		.091	.000
	N	193	193	193	193	193	193	193
Price	Pearson Correlation	.355**	.369**	.450**	.550**	.122	1	.495**
	Sig. (2-tailed)	.000	.000	.000	.000	.091		.000
	N	193	193	193	193	193	193	193
Loyalty	Pearson Correlation	.441**	.568**	.634**	.667**	.266**	.495**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	193	193	193	193	193	193	193

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

As it is displayed on the above table five independent variables quality, trust, satisfaction, image, and price have very moderated correlation with customers loyalty and one variable (switching cost) has weak but significant correlation in the case of private hospitals.

4.5.2 Private Hospital Correlation

		Correlations						
		Quality	Trust	Image	Satisfaction	Switching Cost	Price	Loyalty
Quality	Pearson Correlation	1	.746**	.496**	.573**	.211**	.291**	.478**
	Sig. (2-tailed)		.000	.000	.000	.003	.000	.000
	N	192	192	192	192	192	192	192
Trust	Pearson Correlation	.746**	1	.716**	.721**	.222**	.306**	.615**
	Sig. (2-tailed)	.000		.000	.000	.002	.000	.000
	N	192	192	192	192	192	192	192
Image	Pearson Correlation	.496**	.716**	1	.627**	.161*	.313**	.591**
	Sig. (2-tailed)	.000	.000		.000	.026	.000	.000
	N	192	192	192	192	192	192	192
Satisfaction	Pearson Correlation	.573**	.721**	.627**	1	.232**	.334**	.650**
	Sig. (2-tailed)	.000	.000	.000		.001	.000	.000
	N	192	192	192	192	192	192	192
Switching Cost	Pearson Correlation	.211**	.222**	.161*	.232**	1	.173*	.234**
	Sig. (2-tailed)	.003	.002	.026	.001		.016	.001
	N	192	192	192	192	192	192	192
Price	Pearson Correlation	.291**	.306**	.313**	.334**	.173*	1	.425**
	Sig. (2-tailed)	.000	.000	.000	.000	.016		.000
	N	192	192	192	192	192	192	192
Loyalty	Pearson Correlation	.478**	.615**	.591**	.650**	.234**	.425**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.001	.000	
	N	192	192	192	192	192	192	192

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Similarly with the result of public hospital five independent variables quality, trust, satisfaction, image, and price) have very moderated correlation with customers loyalty and one variable (switching cost) has weak but significant correlation in the case of private hospitals.

4.6 Regression Analysis

4.6.1 Multiple linear Regressions

Public Hospital

In this section the analysis of multiple regressions was undertaken. Accordingly, the analysis and results of the analysis of variance (ANOVA), model summary and regression coefficient were presented. Before getting in to the regression analysis, test of assumptions for multiple linear regressions, namely including linearity, normality, multicollinearity and autocorrelation were conducted and all the conditions have been fulfilled (see Annex 2for the details).

On this study, the equation of multiple regressions was created around two sets of data: dependent variables and independent variables. The primary goal of employing regression equations is to improve the researcher's ability to describe, analyze, predict, and regulate the stated variables.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.735 ^a	.540	.525	2.01259	1.751

a. Predictors: (Constant), prices, switching Costs, Quality, Image, satisfaction, trusts

b. Dependent Variable: loyalty

The Durbin-Watson result is 1.751 between 1.5 and 2.5 so, there no relationship between the residual variable and the independent variable.

The value of adjusted R² = .525 means that the total variation in the dependent variable (consumer loyalty) in public hospital is explained or caused by 52.5% of the change in all independent variables: In other words, 47.5% of the variation in overall consumer loyalty in public hospital cannot be explained by these six independent variables. So, there must be other factors that are not incorporated in the study to explain dependent variable. The overall model was also significant, tested with the help of ANOVA. The results are given in table below.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	884.214	6	147.369	36.383	.000 ^b
	Residual	753.398	186	4.051		
	Total	1637.612	192			

a. Dependent Variable: loyalty

b. Predictors: (Constant), price, switching cost, Quality, Image, satisfaction, trusts

The above ANOVA table shows a strong relationship between the dependent and independent variables of the study with F-statistic or F-ratio of 36.383 for the overall analysis, and is worth-mentioning that the F-value is highly significant (as $p=.000<.01$).

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.156	.924		-1.251	.213		
	Quality	-.056	.034	-.123	-1.611	.109	.426	2.348
	Trusts	.119	.049	.207	2.446	.015	.345	2.897
	Image	.194	.066	.230	2.928	.004	.400	2.500
	Satisfaction	.234	.056	.338	4.187	.000	.379	2.638
	Switching Cost	.067	.037	.094	1.820	.070	.927	1.079
	Price	.156	.058	.162	2.694	.008	.687	1.455

a. Dependent Variable: loyalty

All the VIF column value are less than 10, and tolerance values are greater than 10% respectively, indicating that there is no multi-co linearity influence between explanatory variables.

Based on the above table trust, image, satisfaction and price have positive significant effect and the remaining two variable qualities and switching cost have no significant effect.

Private Hospital

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.726 ^a	.527	.512	1.61530	1.858

a. Predictors: (Constant), Price, Switching cost, Image, Quality, Satisfaction, Trust

b. Dependent Variable: Loyalty

The Durbin-Watson result is 1.858 so there no relationship between the residual variable and the independent variable.

The value of adjusted R² = .512 means that the total variation in the dependent variable (consumer loyalty) in private hospital is explained or caused by 51.2% of the change in all independent variables. In other words, 48.8% of the variation in overall consumer loyalty in private hospital cannot be explained by these six independent variables. So, there must be other

factors that are not incorporated in the study to explain dependent variable. The overall model was also significant, tested with the help of ANOVA. The results are given in table below.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	538.561	6	89.760	34.401	.000 ^b
	Residual	482.702	185	2.609		
	Total	1021.263	191			

a. Dependent Variable: LoyaltyC

b. Predictors: (Constant), Price, Switching, Image, Quality, Satisfaction, Trust

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.646	.742		-.871	.385		
	Quality	.000	.034	.001	.013	.989	.431	2.319
	Trust	.096	.060	.162	1.601	.111	.248	4.025
	Image	.159	.061	.197	2.621	.010	.451	2.218
	Satisfaction	.227	.052	.331	4.344	.000	.439	2.279
	Switching	.030	.028	.056	1.068	.287	.928	1.078
	Price	.140	.040	.193	3.522	.001	.853	1.172

a. Dependent Variable: Loyalty

All the VIF column values are less than 10, and tolerance value are greater than 10% respectively, indicating the there is no multi-co linearity influence between the explanatory variables.

As shown in the table above, all significant independent variable coefficients are positive, implying that as the value of the independent variable raises the mean of the dependent variable (customer's loyalty) rises as well. In general quality, trust and switching variables have not significant effect on customer's loyalty and the other three variable image, satisfaction and price have significant effect in the case of private hospital.

4.6.2 Summary of Hypothesis Test

Hypothesis	Hospital	B	P - Value	Result
H1: Quality has significant and positive effect on customer loyalty	Public	-.123	.109	Not supported
	Private	.013	.989	Not supported
H2: Image has a significant and positive effect on customer loyalty	Public	.207	.004	Accepted
	Private	.197	.010	Accepted
H3: Trust has significant and positive effect on customer loyalty	Public	.230	.015	Accepted
	Private	.162	.111	Not supported
H4: Satisfaction has significant and positive effect on customer loyalty	Public	.338	.000	Accepted
	Private	.331	.000	Accepted
H5: Switching cost has significant and positive effect on customer loyalty	Public	.094	.070	Not supported
	Private	.056	.287	Not supported
H6: Price has significant and positive effect on customer loyalty	Public	.162	.008	Accepted
	Private	.193	.001	Accepted

Public Hospital

The multiple regression analysis show that the test result indicates that the highest $\beta=0.338$. Hypothesis 4 proposed that there is a positive and significant effect between satisfaction and customer loyalty. ($\beta=0.338$, $P<0.05$) support Hypothesis. This result support the study of Assila, Zainudin, Asyraf, Mahadzirah and Fazida (2019) that found patients' satisfaction had a big impact towards patients' loyalty.

Next to satisfaction trust has high beta value ($\beta=0.230$). Hypothesis 3 (trust) proposed that there is a positive and significant effect on public hospital customers loyalty ($\beta=0.230$, $P<0.05$). H2 (Trust) result support the study of Tigor (2018) that finds customer trust significantly gives positive influence to customer loyalty,

Hypothesis H2 and H6 image and price also positive and significant effect on customer loyalty. $\beta =0.207$, $P<0.05$ and $\beta 0.162$, $P<0.05$ so support hypothesis. H6 (price) result support the study of

Pribanus and Muhammad (2019) that found Price is significant and positive impact on customer loyalty.

However, Hypothesis H1 and H5 quality and switching cost has no significant effect on customer loyalty. $\beta = -.123$, $P > 0.05$ (.109) and $\beta 0.94$, $P > 0.05$ (0.070) it indicates the hypothesis H1 and H6 not supported.

H1 (Quality) result support the study of Tigor (2018) and Pribanus and Muhammad (2019) that finds service quality does not significantly give positive influence to customer loyalty and H5 (switching cost) result supported the study of Maria and Yusniza (2012) switching cost does not influence customer loyalty.

Private Hospital

Satisfaction has the highest β value which is $\beta 0.331$, $P < 0.05$ This indicates satisfaction has positive and significant effect on customer loyalty. The Hypothesis H4 is supported/accepted. This result support the study of Assila, Zainudin, Asyraf, Mahadzirah and Fazida (2019) that found patients' satisfaction had a big impact towards patients' loyalty.

Image has a coefficient beta value ($\beta = 0.197$ $p < 0.05$) so, H2 is accepted. Satisfaction has positive and significant effect on customer loyalty.

Price has coefficient beta value ($\beta = 0.193$ $p < 0.05$) is the last variable predict customer loyalty in private hospital. H6 (price) result support the study of Pribanus and Muhammad (2019) that found price is significant and positive impact on customer loyalty.

But H1 quality, H3 trust and H5 switching cost has no significant effect on customer loyalty. $B = .013$, $P > 0.05$ which is .989, $\beta = .162$ p value is .111 and $\beta = .094$ p value .070 respectively. This implies quality, trust and switching cost has no significant effect on customer loyalty.

H1 (Quality) result support the study of Tigor (2018) and Pribanus and Muhammad (2019) that finds service quality does not significantly give positive influence to customer loyalty. According to study Sri and Waseso (2019) trust in brand had no significant influence to the customer loyalty. H5 (switching cost) result supported the study of Maria and Yusniza (2012) switching cost does not influence customer loyalty.

Comparison summary between public and private hospital in all variable

Dimensions	Mean difference (Public-Private)	Sig	Comparison
Quality	0.035	.668	No Difference between private and public hospital
Trust	-0.105	.231	
Image	-0.059	.06	
Satisfaction	-0.084	.359	
Switching Cost	0.229	.005	Customers are high tendency of shifting the current hospital in private hospitals than public hospitals.
Price	1.089	.000	Public Hospitals are more reasonable price compared with private hospital

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATION

A summary of the findings, conclusion, and recommendation are presented in this chapter of the study.

5.1 Major Finding

The major findings of the study are summarized as follows:

This study was conducted to investigate factors affecting customers loyalty in public and private hospitals. Six specific objectives were studied to achieve this purpose. These were, investigate service quality has effects on customer loyalty, to investigate whether client loyalty is influenced by trust, investigate hospital image influence on customer loyalty, examine whether client loyalty in hospital is impacted by customer satisfaction, to examine whether switching cost has an influence on customer loyalty, investigate price has effects on customer loyalty.

5.2 Conclusions

Objective One

Public Hospital

- In the case of public hospitals, the standardized coefficient value of quality is -.123 with a P value of .109, indicating that quality has no significant effect on customer loyalty.

Private Hospital

- The standardized coefficient value of quality in the case of a private hospital is .001, with a P value of .989. It indicates that quality has no significant effect on customer loyalty.

Objective two

Public Hospitals

- Trust in public hospitals has a standardized value of .207 and a significance level of 0.015. It suggests that the trust dimension has a significant impact on public hospitals.

Private Hospitals

- With a significance level of 0.111, the standardized value of trust in private hospitals is .162. It indicates that the trust dimension has no significant effect on private hospitals.

Objective Three

Public Hospitals

- For private hospitals, the image has a standardized beta value of .230 and a P value of 0.04, which is less than 0.05. It implies that image plays a significant role in customer loyalty.

Private Hospitals

- For private hospitals, the image has a standardized beta value of .197 and a P value of 0.010, which is less than 0.05. It implies that image plays a significant role in the customer loyalty of private hospitals.

Objective four

Public Hospitals

- In public hospitals, the satisfaction variable has significance values of 0.000 and standardized coefficients of .338. It indicates satisfaction has a significant effect on customer loyalty.

Private Hospital

- Regarding the satisfaction variable, it has significance values of 0.000 in public hospitals. Based on the data, it is concluded that customer satisfaction plays a significant role in determining customer loyalty levels in public hospitals.

Objective five

Public Hospitals

- The significance value of switching costs is higher than 0.05 (95% confidence level) in public hospitals (P value is 0.070), which indicates that switching costs are not a significant factor affecting loyalty in public hospitals.

Private Hospitals

- The significance value of switching costs is higher than 0.05 (95% confidence level) in public hospitals (p value of .287), which indicates that switching costs are not a significant factor affecting loyalty in the private hospital sector.

Objective Six

Public Hospital

- Price has a significance value of 0.008. Based on the data, it is possible to conclude that price plays a major role in determining a customer's loyalty, or that when the fairness of the price increases, the strength of loyalty will also increase.

Private Hospitals

- In private, the significance value of price is 0.001. It indicates that price has a significant effect on customer loyalty. Based on the data, it is possible to conclude that price plays a large role in determining a customer's loyalty.

5.3 Recommendations

Public Hospital

- In the case of public hospitals, customer evaluation on the item "Reception personnel fulfilled my expectations" is lower. So, the researcher recommended that public hospitals pay attention to the issue and train their staff for a better customer experience.

Private Hospital

- The actual experience of the customer in all dimensions of pricing is low. As a result, private hospitals are advised to improve and work hard on setting a reasonable price reducing .

Both Hospitals

- According to the study's findings, customer satisfaction is one of the most important determinants of customer loyalty in both public and private hospitals. Hence, both hospitals should evaluate their customer satisfaction carefully and set schedules.
- According to the survey results, the actual experience of the customer with switching costs is low. This implies that customers have a tendency to change their current hospital. If the customer thinks the service is better at the other hospital and the hospital solves their problem, they will not shift. Therefore, to retain their customers, they should hire highly professional staff and use advanced technology.
- Trust is an important factor in customer loyalty. If the customers have trust in the hospital, they will be loyal. Therefore, the researcher suggests that to build trust, the hospital's staff should be polite, compassionate, give patients enough time, show active listening, and help advice and resolve the patient's problem.
- Image is the most important variable to build customer loyalty, so, the hospital's management should focus on building a positive image.

5.4 Areas for Further Research

Hence, only six factors are considered in this study, Future researchers could include other variables that are not included in this study, and since this thesis only concentrates on Addis Ababa, other researchers are recommended to investigate the issue by adding important variables in a variety of geographic locations. In addition to this study used only qualitative data, other researcher can use both qualitative and quantitative data.

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Appendix

Dear respondents

I am conducting research which shall be submitted in partial fulfillment of the requirements for Master's Degree in Marketing Management. The purpose of this study is to examine factors affecting customer loyalty in higher hospitals. Therefore, this is to kindly request you to take some of your precious time to fill the questionnaire at your convenience. Your honest and accurate response will make this study more valuable. Your responses are only meant for academic purpose and will be kept confidential. So, please read it carefully and give your opinion.

Thank you in advance for your cooperation and time!

Part I

General Information of the Respondent

This part of questionnaire is about general information

Gender

Male Female

Age

18-25 26-35 35-45 more than 45

Types of Patients:

Outpatient In patient

Part II

Factors affecting customer loyalty

S/No.	Measurement Items	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Quality						
Q1	Providing service at the promised time					
Q2	Employees understand the needs of patients					
Q3	Willing to help patients					
Q4	Maintaining error-free records					
Q5	Employee have the knowledge to answer patient questions					
Q6	Readiness to respond to patients' requests					
Q7	Giving patients individual attention					
Q8	The physical environment of hospital is very clean and neat					
Trust						
T1	This hospital has a good reputation					
T2	Staff at the hospital are honest and trustworthy					
T3	The staff of this hospital cares to solve the inpatients' problems					
T4	My health care provider offers me the highest quality in medical care					
T5	Doctors fulfilled my expectation					
T6	Reception personnel fulfilled my expectation					

Image						
I1	The Image of hospital creates trust and confidence in the patient.					
I2	Reputable hospital is my first choice regardless of treatment costs					
I3	The patient will choosing a trustful hospital when is faced with emergencies					
I4	Hospital has enough infrastructure and facilities compare to non-profit hospital such as government hospital					
Satisfaction						
S1	Thinking about this hospital overall, please rate the value you feel you get for your money (value)					
S2	Overall, how satisfied are you with this hospital? (Overall satisfaction)					
S3	Compared with other hospitals, the level of satisfaction was high					
S4	Choosing this company has proven a wise decision					
S5	I consider the organization the first choice among all health-care service organizations in the area					
Switching Cost						
SC1	I worry that the service offered by the other service provider won't work as well as expected					
SC2	If I try to switch service provider, I might end up with the bad service for while.					
SC3	Switching to a new service provider will probably result in some unexpected hassle.					
SC4	I cannot afford the time to get the information to					

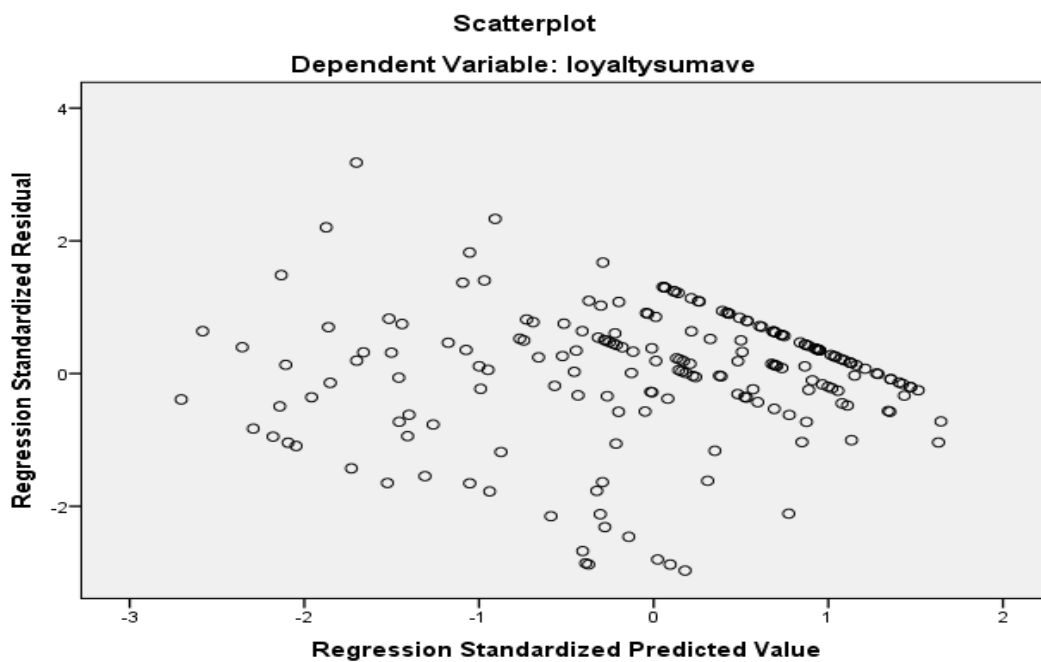
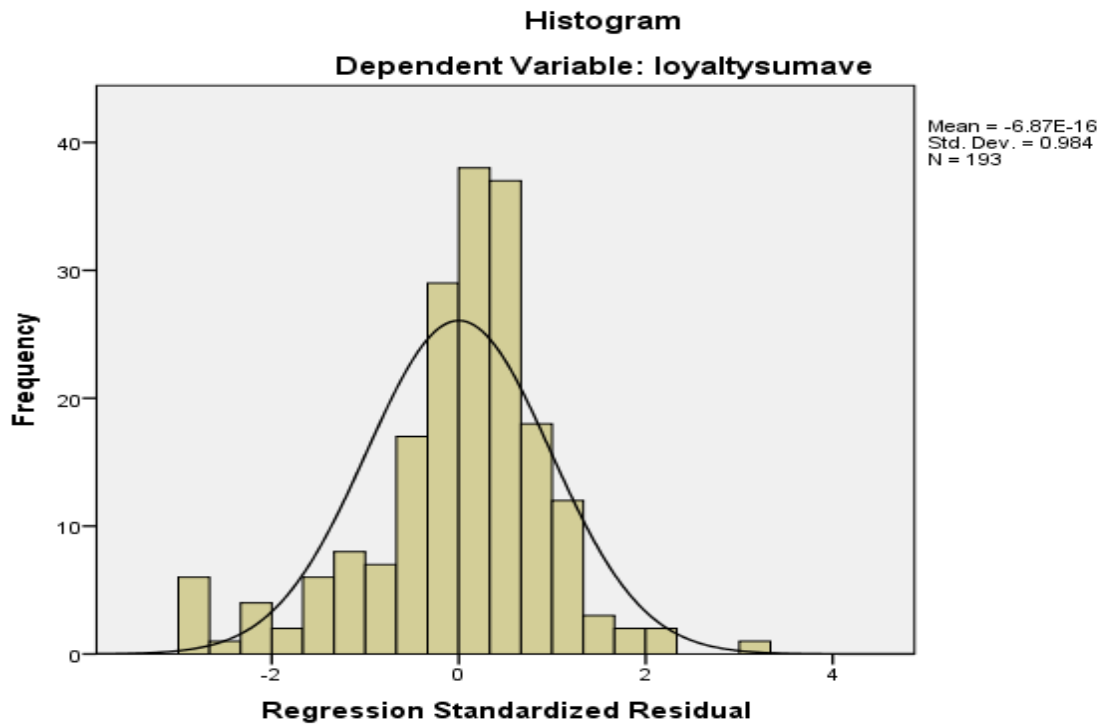
	evaluate fully another service provider.					
SC5	How much time/effort does it take to get the information you need to feel comfortable evaluating a new service provider? (Very little ... a lot)					
SC6	It takes time to go through the steps of switching to a new service provider					
Price						
P1	Hospital has reasonable and suitable pricing					
P2	Hospital provide quality service in a cost effective manner					
P3	Hospital have more valuable service received compare with other hospital					
P4	The medicine used for patients are reasonably priced.					
Loyalty						
L1	If any emergency, I would like to come back to these hospitals in the future.					
L2	I would recommend these hospitals to my friends or relatives if necessary.					
L3	I have something positive to say about this hospital to other.					
Source: Adopt from Dr. Raheedul, Dr Abdul and Alfred 2020, NhiXuan Nguyen, Khoa Tran, and Tuyet Anh Neguyen (2021)						

Annex

Annex 2 Assumptions

Normality

Public Hospital



Private Hospital

