

The Impact of Service Quality on Consumer Perceived Value in Medical Clinics

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Abstract

Service quality has been viewed as a determinant of consumer perceived value. Different dimensions of service quality have been considered by various researchers. This study identifies components of service quality of medical clinics in Jaffna. From the coefficients table it can be seen that significance P value is less than .05 therefore all hypotheses are accepted according to the highest beta value tangibility contributes more towards customer perceived value of medical clinic services in Jaffna district.

Keywords: service quality, consumer perceived value, Medical clinics, Jaffna

Background of the study

Customer perceived value as the consumer's overall assessment of the utility of a product or service based on what is received and what is given. Interpretation of value might be different between the client and the service provider, more important is 'how' clients interpret value and not 'how' suppliers believe what value is supposed to be. Value results in increased purchases, increased cross-buying, increased word- of-mouth referrals, less returns and also it is a critical criterion for in consumers' decision making process. Customer Perceived values are a combination of physical attributes, service attributes and technical support available in relation to a particular use situation. Customer perceived value is a worthwhile action for building up enterprises' competitive advantages

Research problem

Zeithaml (1988) defines Customer perceived value as the consumer's overall assessment of the utility of a product or service based on what is received and what is given. Interpretation of value might be different between the client and the service provider, more important is 'how' clients interpret value and not 'how' suppliers believe what value is supposed to be (Blois, 2004). Studies have shown that value results in increased purchases, increased cross-buying, increased word- of-mouth referrals, less returns and also it is a critical criterion for in consumers' decision making process. Customer Perceived values are a combination of physical attributes, service attributes and technical support available in relation to a particular use situation (Monroe, 1990). Parasuraman (1998) indicated that measuring customer perceived value is a worthwhile action for building up enterprises' competitive advantages. The medical clinics are operating in the competitive environment. The medical clinics use various competitive strategies to achieve the long term objectives. This study attempts to solve the following problem

Does service quality have been significant influence on consumer perceived value?

Objectives of the study

The study aim to identify the impact of service quality on consumer perceived value in medical clinics

Significance of the study

Customer perceived value is created by the customer about the services, which received from the service providers. It is a differentiator for competitive advantages in contemporary marketing practices; this study is significance for contributing by identifying the service quality variables which influencing perceived value of services, therefore it will contribute to the medical clinic practitioners to have a persuasion effect on customer perceived value by strengthen the variables as a strategy for competitive advantage.

The Previous studies have proved the integrated mobile communication dimensions have an impact on customer perceived value of services in the banking industry (Faseela, J.A, Shivany, S, 2010). This research was limited to the five dimensions of integrated mobile marketing communication. Current research is further extended to add more variables influencing Customer perceived value of services in the medical clinics services.

Customer perceived value can be used as competitive advantages in the service industry, especially in the Jaffna district more medical clinics are entering into the market to provide better services to the customers who returned to habitual life. Therefore present research will held the policy makers and practitioners to design service specification in the medical clinics.

Scope of the research

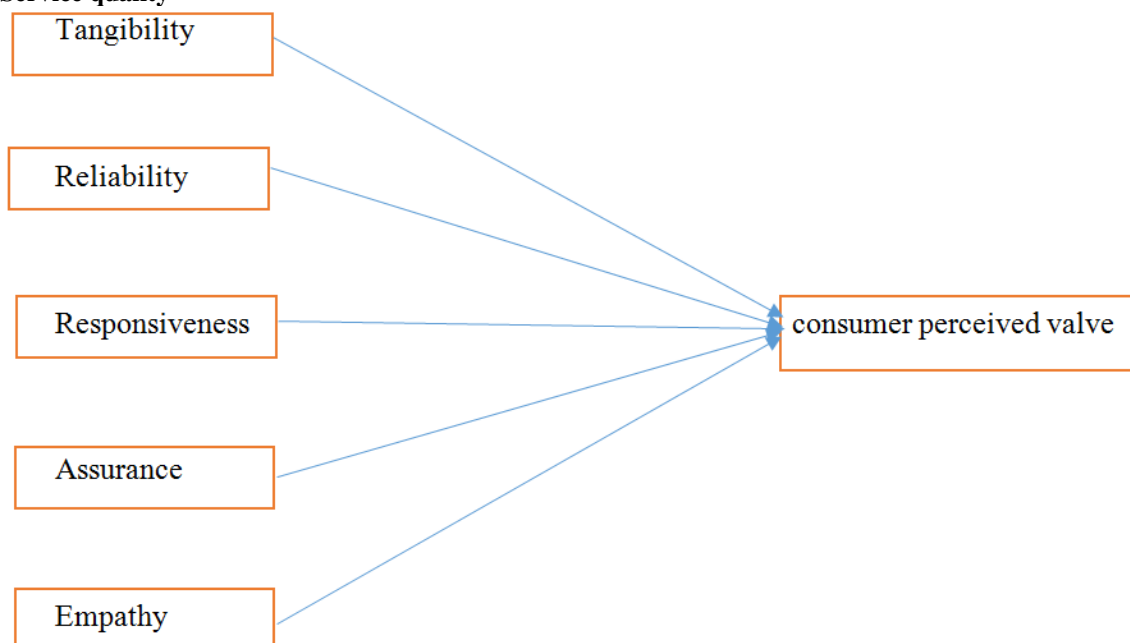
This study has focused primarily on investigating in does service quality have significant influence on consumer perceived value in channelling centres. In this research report discussed six main elements consumer perceived value such as Functional value establishment, Functional value personnel, Functional value services, Functional value price, Social value and Emotional value.

Literature Review

The concept of customer-perceived value is a complex theoretical construct in that it touches upon a number of other concepts, such as quality, satisfaction, and loyalty, and often the distinction between these concepts is not very clear (either from a theoretical perspective or from an empirical perspective). However, perceived customer value is believed to be a central concept within marketing and customer behavior research (Dodds et al., 1991; Grewal et al., 2003; Parasuraman & Zinkhan, 2002; Woodruff & Gardial, 1996; Woodruff, 1997; Zeithaml, 1988). Customer value is also an important factor used to predict customers' behavioral intentions and preferences. Previous studies of customer perceived value have focused on both tangible products and intangible products such as services (Lexhagen, 2008). Otto & Ritchie (2000) develop a scale of experience quality in tourism industry context with four factors: hedonics, peace of mind, involvement and recognition using consumer survey data obtained from three tourism service sector including hotels, airlines and tours and attractions. The factor of hedonics is associated with the need to be doing what they loved or likes, to have their imaginations stirred and to be thrilled by the service activities. The factor of peace of main is concerned about the need for both physical and psychological safety and comfort. The factor of involvement refers to having more to do with the process of service delivery than with outcome, the desire to have choice and control in service offering and the demand of being educated, informed and imbued with a sense of mutual cooperation. Finally, the factor of recognition is linked to feeling important and confident in being taken seriously. Notably, the significant differences in both the nature and degree of the service experience are found evident across service sectors.

Conceptual model

Service quality



Source: (Current Study)

3.2 Propositions/hypotheses

- H1:** There is a positive impact of tangibility on customer perceived value of services
- H2:** There is a Positive impact of reliability on customer perceived value of services.
- H3:** There is a Positive impact of responsiveness on customer perceived value of services.
- H4:** There is a Positive impact of assurance on customer perceived value of services.
- H5:** There is a Positive impact of empathy on customer perceived value of services.

Population of the study

A population consists of the aggregate of all elements sharing some common set of characteristics that comprise the universe for the purpose of the marketing research problems (Malhotra, 2007). The population of the present study are the people who receive medical services from the medical clinics in the Jaffna District. Number of studies (Jain and Bhatia, 2007) have categorized population into different segments on the basis of number of years of experience in business as mature ones (being in their respective business for more than 15 years) and others (with less than five years, 5-10 years and 10-15 years) while other studies (Narver and Slater, 1990) have not categorized their population into segments on the basis of number of years in business and have defined the population on the basis of some minimum number of years (over 2 to 3 years) they have been in business. The present study has not categorized the population into different segments on the basis of number of years they were in business.

Sample elements

Sample element is the object about which or from which the information is desired, in survey research, the element is usually the respondents (Malhotra, 2007). In order to collect the data necessary to measure the constructs related to the subjects of the study, it is required to collect data from customers of medical clinics.

Sample size

Sample size refers to the number of elements to be included in the study (Malhotra, 2007). Once the target population of the study is defined, it is required to decide the sample size for the study. Number of sampling elements in the present study consisted of six medical clinics. There are 200 customers were surveyed to collect data to the impact of service quality on consumer perceived value in medical clinic.

Pre-test

The development of the surveys was based upon a thorough literature review, the researcher's professional experience, and discussions with owners of the medical clinics. After the initial instruments were prepared, a pretest was conducted on questionnaires within a week. 200 medical clinics customers were asked to complete the survey and evaluate the answers. From the pretest, it was determined that the medical clinic's survey instrument was adequate as tested. Likewise, the customers felt comfortable answering the survey. The pretest was to discuss the clarity of the instrument, specific problems with any questions, and recommendations for changes or additions to the questionnaire. The respondents felt that the questions were easy to understand, and they had no significant suggestions or recommendations for change.

Data collection procedure

Primary data collected using structured questionnaire. Questionnaires were distributed by the researcher individually. Each completed questionnaire was checked immediately, and was entered for data analysis.

Data analysis

Data analysis strategy in this study consists of both descriptive statistical analysis and inferential statistical analysis in addition to test of reliability and validity of the measurement scales. The Statistical Packages for Social Science (SPSS) version 16 was used for data analysis. Firstly all variables were assigned with names and coded for computer entry. Secondly, all the responses were coded to facilitate computer data input. There are only positive worded scales in the both questionnaires. Regression analysis was used to test the conceptual model with hypothesis testing procedure.

Validity and reliability

The reliability of the questionnaire is concerned with the consistency of response of the questions. (Mitchell, 1996). Internal consistency is used to assess the reliability of the questionnaire it involves correlating the responses to each questions in the questionnaire, which those to other questions in the questionnaire. It therefore measures the consistency of response across either all the questions or subgroups of the questions from the questionnaire. The purpose of the pilot test is to refine the questionnaire so that the respondent had no problems in answering the questions and no problem in recording the data. In addition it allowed the researcher to obtain validity and the likely reliability of the data collected. Initially the researcher asked the experts to comment on the representative ness and suitability of the questions. This established the content validity (Mitchell, 1996). As part of the pilot test researcher checked the completed pilot questionnaire to ensure that the respondents have no problems in answering which enhances the face validity (Fink, 1995b).

Reliability and validity

Reliability is defined as an accuracy or precision of a measuring instrument (Kerlinger, 1980). Thus reliability

refers to the degree to which a measure is free of variable error. The most common way to assess reliability measurement instrument is to evaluate the internal consistency of items in a scale. Internal consistency is the degree of homogeneity among the items that constitute a measure that is the degree to which the items are interrelated and measure a single trait or entity (Brown, 1970). Internal consistency is determined by the statistical examination of the results obtained, typically equated with Cronbach's coefficient alpha. Cronbach's alpha measures the variance over total variance. In this research, Cronbach's alpha is used to determine the reliability of scales and results. According to Nunnally (1978) the alpha of a scale should be greater than 0.70 for the items to be used together as a scale. This alpha for the total scale is also computed on the assumption that the item under examination is deleted. Nunnally (1978) gives the common guideline for the alpha standard of reliability: a) early stage of research alpha=0.5-0.6 b) basic research alpha, alpha= 0.7- 0.8, and c) applied settings, alpha= 0.8-0.9. The reliability of the questionnaire was tested using Cronbach's Alpha (a) measurements. The reliability coefficients (a) of each construct or latent variable are given in the table.

Results of test –retest

	Variable	Test-retest coefficient
1	tangibility	0.743
2	reliability	0.709
3	responsiveness	0.785
4	assurance	0.786
5	empathy	0.787
6	Customer perceived value of services	0.750

	variable	Cronbach's alpha coefficients
1	tangibility	0.843
2	reliability	0.809
3	responsiveness	0.765
4	assurance	0.897
5	empathy	0.870
6	Customer perceived value of services	0.845

Regression analysis

Multiple regression analysis was used to test the conceptual model with hypothesis testing procedure. This analysis is used to relate a dependent or predictor. Variables (Xs). Objective of the following equation was to build a regression model or prediction equation relating to the independent variables of the study. The predictor equation of the multiple regression models took the following form.

$$Y=A+B_1X_1+B_2X_2+B_3X_3.....+B_k X_k$$

Where

Y=predicted value of the dependent variable

A=value of the dependent variable when the all the independent variables are zero, that is the Y intercept.

B=regression coefficient

X=independent variables.

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	tangibility reliability responsiveness assurance empathy	.	Enter

a. All requested variables entered.

b. Dependent Variable: CPV

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
3 (Constant)	1.721	.427		11.055	.000
tangibility	.787	.074	.884	5.733	.000
reliability	.128	.072	.787	1.769	.001
responsiveness	.144	.082	.650	1.766	.000
Assurance	.453	.059	.785	.337	.001
empathy	.487	.063	.793	.343	.000

a. Dependent Variable: Customer Perceived Value of Services

Hypothesis testing

H1: There is a positive impact of tangibility on customer perceived value of services

H1 is accepted because significance p value is less than 0.05. As per the regression results in the coefficient table, it has been noted that fitted model revealed the significant relationship between tangibility and customer perceived value of services. It explains that the tangibility variable customer perceived value of services independent variable positively influences on customer perceived value of services.

H2: There is a Positive impact of reliability on customer perceived value of services.

H2 is accepted because significance p value is less than 0.05. H2 is accepted because significance p value is less than 0.05. As per the regression results in the coefficient table, it has been noted that fitted model revealed the significant relationship between reliability and customer perceived value of services. It explains that the reliability variable customer perceived value of services independent variable positively influences on customer perceived value of services.

H3: There is a Positive impact of responsiveness on customer perceived value of services.

H3 is accepted because significance p value is less than 0.05. H2 is accepted because significance p value is less than 0.05. As per the regression results in the coefficient table, it has been noted that fitted model revealed the significant relationship between responsiveness and customer perceived value of services. It explains that the responsiveness variable customer perceived value of services independent variable positively influences on customer perceived value of services.

H4: There is a Positive impact of assurance on customer perceived value of services

H4 is accepted because significance p value is less than 0.05. As per the regression results in the coefficient table, it has been noted that fitted model revealed the significant relationship between assurance and customer perceived value of services. It explains that the assurance variable customer perceived value of services independent variable positively influences on customer perceived value of services.

H5: There is a Positive impact of empathy on customer perceived value of services

H5 is accepted because significance p value is less than 0.05. As per the regression results in the coefficient table, it has been noted that fitted model revealed the significant relationship between empathy and customer perceived value of services. It explains that the empathy variable customer perceived value of services independent variable positively influences on customer perceived value of services. From the table it can be seen that significance P value is less than .05 therefore all hypotheses are accepted according to the highest beta value tangibility contributes more towards customer perceived value of medical clinic services in Jaffna district.

Suggestions for further research

In this study, researcher has focused on the impact of service quality on CPV. Future research direction should find out the other variables to influence the CPV in the medical clinic. Furthermore future research direction should be in the form of factor analyses to find out the service quality influence on CPV in other sector like as

banks and also in other district in the national level.

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