A Study of the Relationships between Service Quality, Satisfaction, Loyalty and Intention to Switch to other Treatment Centers (ITS)
(Case Study: Treatment Centers in Tehran City)

Somayeh Mousavi Baghdadi Zadeh
Department of Management Science and Research Branch
Islamic Azad University, Guilan, Iran

Dr. Mohammad Haghighi
Department of Management University, Tehran, Iran

***Abstract* – The present paper aims at exploring the relationship between service quality dimensions with satisfaction and loyalty. A new aspect addressed by this study is the relationship between the patients' loyalty and satisfaction with their intention to switch to other treatment centers which had been neglected by previous research. The results indicate that the relationship between service quality, satisfaction, loyalty and intention to switch to other treatment centers is significant.**

***Keywords* – Service Quality, Satisfaction, Loyalty, Intention to Switch to other Treatment Centers.**

INTRODUCTION

The competition among corporations and enterprises to obtain larger market shares, and the customers' efforts to achieve higher satisfaction has led the enterprises to seek a distinct position in the market and at the same time the customers to get clues to reach the best suppliers. Achieving these goals is closely related to two concepts: service quality and intention to switch to other competitors. Due to their specific qualities, an examination of these two concepts is more sensitive and more important in service markets, is of great importance for the service providing organizations. One category of such enterprises and corporations performing in the service provision field and the role and significance of which is not negligible in the domestic economy and development includes treatment centers (Gohari & Tabibi, 2011; p.3).
Thus, it seems that exploring the relationships between the service quality and the intention to switch to other competitors might positively influence the enhancement and improvement of services provided by the treatment center on one hand, and obtaining higher levels of customer satisfaction on the other. How to achieve this great may be one of apparent problems in services providing organizations and especially in treatment centers. Service quality, customer satisfaction, customer loyalty and intention to switch to other competitors are very important notions in today's marketing.

Many studies have measured them and explored their nature, and their interrelations. Previous research has demonstrated their importance and proved that they are different and separated notions although there is no consensus on their sequence. Thus, there is still doubt on whether the managers should focus on improving service quality and its various components as a tool for inducing

desirable behavioral intentions in customers or emphasize the importance of customer satisfaction. In today's era of knowledge and ultra-industrialization, rapid changes and technological developments have forced the organizations to think globally, preparing themselves to face unpredicted competitions.

In a world where changes are happening too quickly, emergence of competition for providing services and manufacturing goods, with high quality and affordable prices, poses a threat to organizations. Surveying the features, beliefs and expectations of the organizations' clientele may both help modify organizational processes and entail the satisfaction of their services users.

Management experts regard the customer satisfaction attainment as one of the most important duties and priorities of organizational managers, stating that the managers' perpetual commitment to customer satisfaction attainment is the main requirement for success.

On the other hand, all organizations have realized that customer satisfaction depends on increased quality of goods and services; and that one of the most important advantages of customer satisfaction achievement is the development and the provision of quality services. Discussions on service quality are highly sophisticated. It is very difficult to define and measure the services provided by a service organization such as a treatment center. The evaluations indicate that the customers' perception of services (perceived service) is formed within the frame of their expectations.

THEORETICAL FRAMEWORK

Overall costs of attracting a new customer or dissuading a customer from the competitors are quickly increasing and substantially go beyond the costs of retention of an existing customer (Kotler et al., 2003). Considering the undesirable consequences of customer switching such as reduced sales and market share, reduced profits and elevated marketing costs (Rust, 1995), service providers are considerably concerned about retaining their customers (Han & Back, 2008; Rust, 1999).

SERVICE QUALITY

Quality is an important and critical issue. If organizations elevate the standards of their

service/products quality, they will be able to achieve tangible success in the global market. Service quality is a key element of success in today's competitive environment. Researchers believe that quality is nothing but meeting the clients' needs. On this basis, it was found out that services the customers get would form their view on services based on their past experiences and such trends are specified through the satisfaction levels the customers obtain in relation with organizational services. The management of the organizational services department always focus on elevating the quality of their services and meeting the employees' desires by considering the customers' demands, thus, increase their organizations' profitability by enhancing the productivity and reinforcing their reputation in local and global markets, which enables them to remain active in the professional environment for the customers who are benefitted from their services and to survive through the continued demands for access to their services/products.

SERVICE QUALITY AND CUSTOMER SATISFACTION

Quality is only one of numerous dimensions on which satisfaction is founded. Also, satisfaction has a potential effect on future quality perception (Clemes, 2008). Service quality is an important tool for customer satisfaction measurement (Hazlina et al., 2011). Empirical studies show that service quality is related to overall customer satisfaction. According to Jamal & Anastasiadou (2009), reliability, tangibility and empathy have positive relationships with customer satisfaction.

Suliman (2011) found that reliability, tangibility, responsiveness and trust have positive and significant relationships with customer satisfaction. In addition, Ravichandran et al. (2010) stated that responsiveness is the only significant component of service quality with a positive effect on customer satisfaction.

CUSTOMER LOYALTY AND INTENTION TO SWITCH TO OTHER COMPETITORS

Currently, customers determine the organizations' survival in the global economy; and organizations cannot be indifferent towards the customers any longer: they should focus all of their activities and capabilities on customer satisfaction because the customers are the only resource of return on investment (Lazarvic & Petrovic, 2007). Organizations should develop their activities by satisfying the receivers of their services in order to be able to retain their advantages in a competitive environment. Some advantages of loyalty include: improved profitability, reduced marketing costs, increased sales with lower price sensitivity. Loyal customers provide much word-of-mouth advertisement for the organization and probably refer to the organization more frequently.

T Bowen (2001) stated that loyal customers, known as 'marketing force', amazingly introduce the organizations'

products and service to their acquaintances through word-of-mouth and recommendations. In fact, providing service to the customers has lower costs for the organizations. Many organizations develop customer loyalty programs as part of their public relations. Customer loyalty is a complex concept and refers to the intention to repurchase and the analysis of the service receivers' pay. Growing customer loyalty ensures the organizations' future revenues with the actual customers and therefore, customer loyalty is the ultimate goal of organizations (Evans and Foxell, 2009).

In their 2008 study, Souki & Filho examined the perceived service quality, customer satisfaction and customer loyalty. They found that the higher the customers' perceptions of services, the more they will be satisfied with the received quality and it is probable that they refer in the future to receive those services and recommend the actual supplier/provider to other users as well.

RESEARCH METHOD AND DATA COLLECTION

The population of the present study includes the clients of treatment centers in Tehran city. Questionnaire was used to gather the needed data and Likert scale which is one of the most common scale types for measuring attitudes. This scale consists of an orderly set of items formulated in a specific way. Those items offer specific states/modes of the phenomenon being measured in the form of items with equal intervals in terms of measurement value. The present study uses a five-point Likert scale (5= totally agree; 1= totally disagree) to measure the variables. Regression and structural equations modeling (SEM) were applied for data analysis. Table 1 summarizes the distribution of the sample in terms of the respondents' age.

Table 1: Frequency distribution of the sample in terms of age

Age Groups	Frequency	Percentage	Cumulative Percentage
20-29 year olds	23.3	23.3	94
30-39 year olds	527.2	33.7	136
40-49 year olds	69.2	11.9	48
Over 50 year olds	100	30.7	124
Total		100	402

Table 2: Cronbach's alpha coefficients obtained for research criteria

Criteria	Cronbach's alpha coefficient
Service Quality	0.804
Satisfaction	0.793
Loyalty	0.797
Intention to Switch	0.813

RESEARCH MODEL AND HYPOTHESES

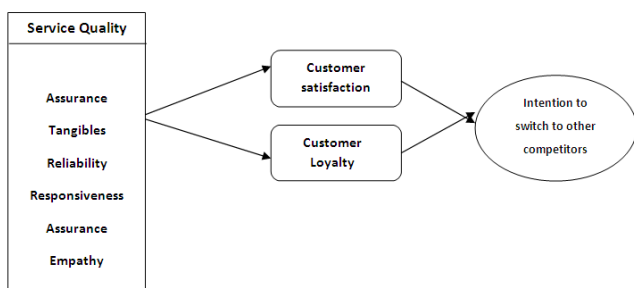The variables examined by the present paper are presented in the following conceptual model.

Fig.1. Conceptual model, adapted from (Kara, lonial et al. 2005)

Here are the research hypotheses:

H1. There is a significant relationship between service quality and customer satisfaction.

H2. There is a significant relationship between service quality and customer loyalty.

H3. There is a significant relationship between customer satisfaction and intention to switch to other competitors.

H4. There is a significant relationship between customer loyalty and intention to switch to other competitors.

TESTING HYPOTHESES USING PATH ANALYSIS

Path analysis was applied to test the hypotheses and to verify the model integrity. Since in the path analysis and in the SEM, all model hypotheses are tested altogether and in the lump, the results are presented in the form of a diagram and a table as depicted below. The noticeable thing in this method is that the model that the researcher has formulated using theoretical foundations and related literature is being tested here; and regarding the analysis output, in the form of correction indices for model fitness, it may be necessary to exclude the hypotheses which are not confirmed at a 5% significance level, or to add some suggestions to develop new relationships with sufficient and logical theoretical foundations to the model, for the good fit purposes. It is noteworthy that the model fitness objective is involved in lower chi-square and higher degree of freedom values. However, this cannot explain the relationships which the software may offer for model improvement and that do not have sufficient and logical theoretical backup. The results of primary model testing are as presented in diagram below.

Goodness-of-fit indices for model and the standard regression coefficients of model relationships are reported separately and in corresponding tables. The following table displays the significance levels of each relationship along with the standard regression coefficients. As shown, all hypotheses have been supported at a 5% significance level.
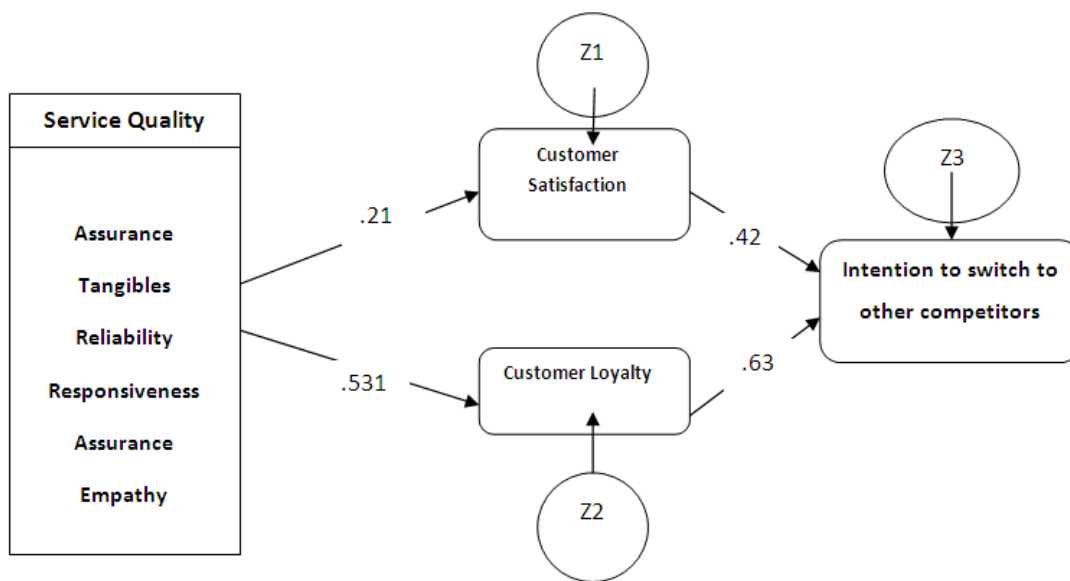

Table 3: Summary of Hypotheses Testing Results

P	Standardized Estimation	Independent Variable	Dependent Variable
0.000	0.531	Quality	Loyalty
0.000	0.21	Quality	Satisfaction
0.000	0.63	Loyalty	Intention to switch to the competition
0.000	0.42	Satisfaction	Intention to switch to the competition

H1 was supported at a 5% significance level. Therefore, service quality is significantly related to loyalty among those referred to treatment centers. The regression coefficient obtained for H1 was 0.531. That is, increased service quality leads to more desirable and improved loyalty.

H2 was supported at a 5% significance level. Therefore, service quality is significantly related to satisfaction of those referred to treatment centers. The regression coefficient obtained for H2 was 0.21.

H3 was supported at a 5% significance level. Therefore, loyalty has a significant and positive relationship with the referred individuals' intention to switch to other competitors among those referred to treatment centers. The regression coefficient obtained for H3 was 0.63.

H4 was supported at a 5% significance level. Therefore, satisfaction has a significant and positive relationship with the referred individuals' intention to switch to other competitors among those referred to treatment centers. The regression coefficient obtained for H4 was 0.41.

REFERENCES

[1] Clemes MD (2008). An empirical analysis of customer satisfaction in international air travel, InnovativeMarketing, 4: 49-62.

[2] Evans MM, Jamal A & Foxall G (2009). Consumer behavior. 2nd ed. England: John Wiley & Sons: 576.

[3] Hazlina (2011). Impacts of service quality on customer satisfaction: Study of Online banking and ATM services in Malaysia, Int. J. Trade. Econ. Fin. 2(1).

[4] Han, H., Back, K., 2008. Relationships among image congruence, consumption emo- tions, and customer loyalty in the lodging industry. Journal of Hospitality and Tourism Research 32 (4), 467–490.

[5] Jamal A, Anastasiadou K (2009). Investigating the Effects of Service Quality Dimensions and Expertise on Loyalty, European. J. Mark. 43: 398-420.

[6] Kotler P, Armstrong G (2012). Principles of Marketing, 14 th Edition, New Jersy, USA. Pearson Education Inc.

[7] Lazarevic V & Petrovic Lazarevic (2007). Increasing Brand Loyalty of Generation Y for Future Marketers. Availiable at: http://www.buseco.monash.edu.au/mgt/research/working-papers/2007/wp28-07.pdf. 2007.

[8] Parasuraman A, Berry LL, Zeithaml VA (1985). "A conceptual model of service quality and its implication for future research", J. Mark. 49(4): 41-50.

[9] Rust, R.T., Zahorik, A.J., Keiningham, T.L., (1995). Return on quality (ROQ): making service quality financially accountable. Journal of Marketing 59, 58–70.

[10] Souki GQ & Filho CG(2008). Perceived Quality, Satisfaction and Customer Loyalty: an empirical study in the mobile phones sector in brazil. International Journal of Internet and Enterprise Management; 5(4): 298- 312.

[11] Sulieman (2011) Banking Service Quality Provided by Commercial Banks and Customer Satisfaction , American Journal of Scientific Research, ISSN 1450- 223X Issue 27(2011), pp. 68-83.

[12] Tabibi SJ, Ebadifard F, Khalesi N & Torani S.(2001) Total Quality Management in Healthcare. Tehran: Jahanrayane Puplication; (Book in Persian).

[13] T Bowen J & Shiang Lih CH (2001). The relationship between customer loyalty and customer satisfaction. Int J Contemp Hospitality Manag; 13(5): 213–7.