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Influence of Service quality on corporate image: Evidence from private corporate hospitals

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Abstract: The goal of this study is to look at the relationship between private corporate hospital service quality and corporate image. We used a structured questionnaire to collect data from 400 patients for this purpose. We used the multiple regression technique to analyse the link between service quality parameters and corporate image. Using a sample of 400 patients, we discovered that elements of corporate hospital service quality such as reliability, responsiveness, assurance, empathy, and tangibility are important predictors of corporate image of private corporate hospitals. Our findings offer a unique perspective and significant consequences for private corporate hospitals.

Keywords: Service Quality, Corporate Image, Private Corporate Hospitals.

I. INTRODUCTION

In the service industry, providing high-quality service is critical to success. Monitoring and enhancing service quality is critical in today's competitive environment for increasing efficiency and business volume (Babakus and Boller, 1992). Quality improvement is the most important factor influencing consumer happiness and purchase intent in both the manufacturing and service industries (Oliver, 1980). Several academics think that quality is crucial to customer pleasure (Radwin, 2000). Several commercial organisations prioritise service-quality issues in order to outperform the competition (Kumar et al., 2008). Despite constraints such as a lack of hospital beds and a paucity of highly skilled doctors, the healthcare business in emerging nations such as India has experienced relatively rapid expansion and significant demand for its services from both foreign and domestic patients. However, the expansion may be continued for the next several years (Burns, 2014). The provision of high-quality service and the development of patient loyalty are seen as key anchors (Anderson and Zeithamal, 1984). It is necessary to identify the unique elements of quality service that contribute significantly to patient happiness. The Indian healthcare market is approximately US$65 billion in total (Burns, 2014). With high domestic demand, corporatization of healthcare, an increase in innovation, an influx of medical tourism, and government pushes, India's healthcare business is a source of jobs and cash. India spends only 4% of its GDP on healthcare, while the United States spends 17% of its GDP, and the share of government national healthcare expenditure in the United States is 50%, compared to slightly more than 25% in India (Burns, 2014). On the other hand, India boasts world-class medical facilities, drawing a big number of medical tourists who receive high-quality medical care at a fraction of the cost in the United States. Only the middle and higher classes in India have access to quality healthcare. Healthcare expenditure is a major source of household debt in India, since many patients borrow money or sell assets to cover their healthcare costs, while the majority of people lack medical insurance. Our research will identify the most significant quality aspects applicable to emerging countries and patients who rely on physicians. In a nutshell, we investigate the effect of Service Quality factors on the corporate image of private corporate hospitals in a rapidly developing country. This study identifies crucial aspects that can be beneficial to service firms such as corporate hospitals in developing countries in general.

Figure 1: Proposed Model
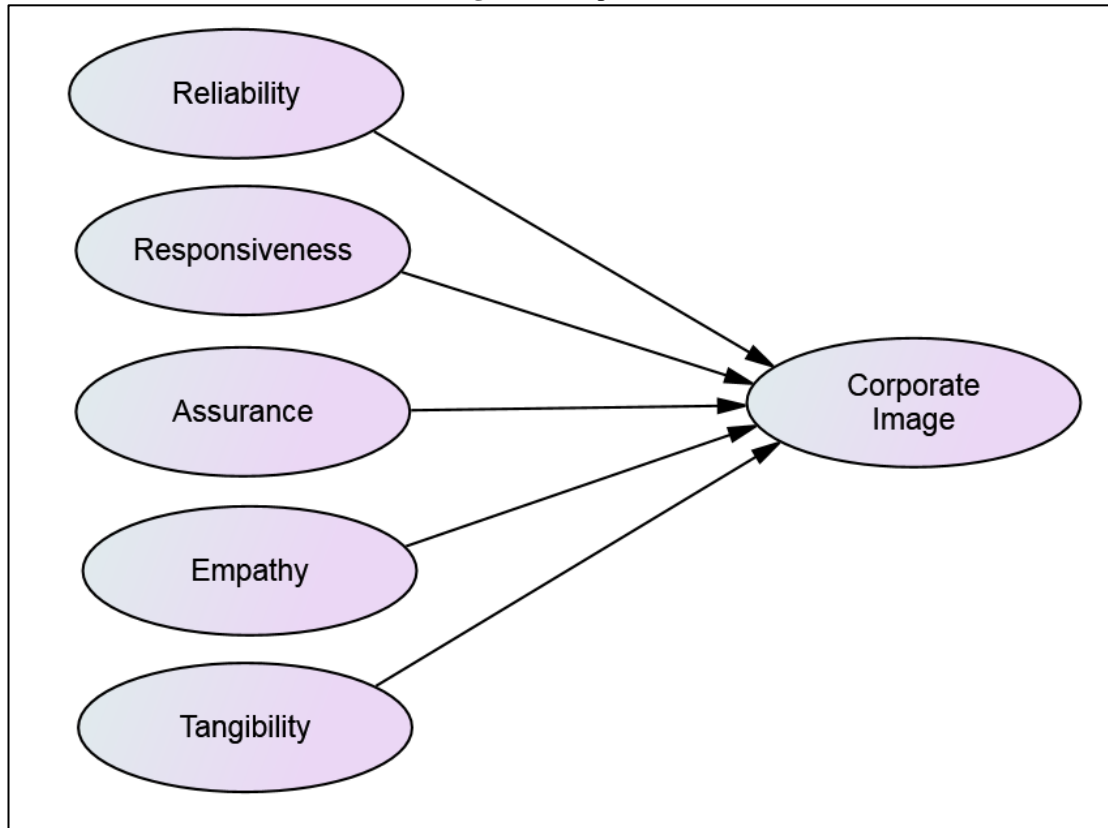
II. LITERATURE REVIEW

Several studies have been undertaken on this vital topic. Some of the important research studies in the variable of service quality include studies on the importance of customers' perception of quality (Teas 1993), the strategic benefits of service quality (Andrian 1995), tangible aspects of service quality (Carman 1990), assessing the effects of quality on customer satisfaction (Cronin and Brandy 2000), and measuring service quality (Cronin and Taylor 1992). According to the findings of these studies, service quality has a considerable impact on satisfaction and behavioural intentions. Transactional aspects, as well as human aspects of staff such as knowledge, friendliness, reliability, service value, and so on, influence service quality and relationship quality, which has a substantial impact on customer satisfaction and future interactions with the organisation. Martineau (1958) developed the notion of image in the field of business administration, analysing a setting of mass production with uniformity, where technical or aesthetic superiority does not inevitably translate to a lasting competitive advantage. In a competitive market, advertising is critical in developing a firm image linked with the company (Martineau, 1958). People use image as an emotional filter to decode the signals they receive about the organisation, which has a beneficial influence on the decision process inherent in the consumption of the goods and services offered (Eckert, 2017; Gatzert, 2015; Gürses and Kiliç, 2013). This influence is stronger in the case of complex services, such as health care, because the vast majority of patients lack the specialised knowledge required to assess the technical attributes of the services provided (Andreassen and Lindestad, 1998; Gürses and Kiliç, 2013; Jandavath and Byram, 2016). As a result, it is possible to conclude that corporate image is a strategic component for improving hospital corporate image (Qin et al., 2014; Rahman et al., 2018; Sener, 2014).

III. RESEARCH METHODOLOGY

This article is based on primary data gathered through a survey. It is vital to establish the target population before collecting data from responders. As a result, the target audience for this article was patients and their attendants who visited private corporate hospitals in NCR-Delhi. These people are an ideal target demographic for investigating the impact of service quality characteristics on the corporate image of private corporate hospitals. "A sample size of between 100 and 200 observations is suitable if communalities are large, variables are properly established, and convergence to a correct solution is

attained," write MacCallum et al. (1999). More than 500 questionnaires were delivered to patients and their attendants along the NCR-Delhi boundary to collect data. The respondents returned 400 filled questionnaires. To assess the service quality, we used Ramanujam's (2011) scale. Furthermore, Coutinho et al. (2019) established a scale to assess corporate image. All responses to items were recorded on a five-point Likert scale ranging from strongly disagree to strongly agree. In this paper, we used the multiple regression technique to investigate the impact of service quality factors on the corporate image of private corporate hospitals.

IV. RESULTS

4.1 Sample descriptives of respondents

This section show the results of demographical variables. The sample descriptives are shown in Table 1. According to our findings, 61% of responders were male patients, while 39% were female patients. Secondly, our findings show that 65% of respondents are in the 40–60 age range, followed by 25.75% and 9.25% of respondents who are, respectively, under 40 and over 60. Our findings also indicate that 64% of respondents are members of nuclear families, followed by 36% of respondents who are members of blended families. Additionally, according to our data, 16% and 14% of respondents, respectively, have yearly family incomes of more than 20 lakh and less than 10 lakh, and 70% of respondents had incomes between 10 and 20 lakh.

Table 1: Sample descriptives

Demographics	Category	Frequency	Percentage
Gender	Male	244	61.00
	Female	156	39.00
Age	<40 years	103	25.75
	40-60 years	260	65.00
	>60 years	37	9.25
Family type	Nuclear	256	64.00
	Joint	144	36.00
Annual family income (Rs.)	<10,00,000	56	14.00
	10,00,000-20,00,000	280	70.00
	>20,00,000	64	16.00

Notes: N=400
Source: Survey.

4.2 Service quality and corporate image

Table 2 shows the mean score of variables and reliability results. The mean score of reliability, responsiveness, assurance, empathy, tangibles were 4.18, 4.39, 4.31, 4.63, and 4.32, respectively. Additionally, corporate image had a mean value of 4.44. Additionally, the values of cronbach's alpha exceeding criteria of 0.70 for all variables verifies the dependability of the variables.

Table 2: Mean and Reliability

Variables	Mean	Cronbach's alpha
Reliability (REL)	4.18	0.884
Responsiveness (RES)	4.39	0.833
Assurance (ASS)	4.31	0.901
Empathy (EMP)	4.63	0.853
Tangibles (TAN)	4.32	0.832
Corporate Image	4.31	0.911

The outcomes of the correlation and regression models are shown in Tables 3 and 4, respectively. As seen in Table 4, the constant-coefficient is significant and positive, indicating that private corporate hospitals will have a positive corporate image even if they do not provide high-quality care. As anticipated, the reliability coefficient is large and positive, suggesting that

reliability has a favourable impact on the corporate image of private corporate hospitals. Additionally, the responsiveness, assurance, empathy, and tangibility coefficients are all positive and statistically significant, suggesting that these factors have a favourable impact on the corporate image of private corporate hospitals.

Table 3: Correlation matrix

	REL	RES	ASS	EMP	TAN	CI
REL	1					
RES	0.445**	1				
ASS	0.514***	0.420**	1			
EMP	0.332*	0.432**	0.556**	1		
TAN	0.311*	0.383**	0.431**	0.444**	1	
CI	0.502***	0.519***	0.508***	0.512***	0.513***	1

Notes: *, **, *** correlation is significant at 0.05, 0.01 and 0.001, respectively.
Sources: The authors' own calculation.

Table 4: regression results

Variable	Unstandardized Coefficients	Standard error	t-value	Standardized coefficients
Constant	1.112	0.126	8.825	-
REL	0.414	0.045	9.200	0.511
RES	0.528	0.066	8.000	0.463
ASS	0.512	0.076	6.737	0.461
EMP	0.509	0.063	8.079	0.499
TAN	0.515	0.077	6.688	0.508

Notes: Dependent variable = CI. *, **, and *** coefficient is significant at 0.05, 0.01 and 0.001, respectively. R^2=0.612
Sources: The authors' own calculation.

V. CONCLUSION

The purpose of this study was to look into the connection between the corporate image of private corporate hospitals and the quality of their services. Our findings, which were based on a sample of 400 patients, showed that the corporate hospital's service quality dimensions of reliability, responsiveness, assurance, empathy, and tangibility are significant predictors of the corporate image of private corporate hospitals. According to the survey, corporate hospitals must concentrate on those areas where patients have expressed concerns about the five aspects of service quality. Hospitals must offer sufficient and ongoing behavioural science training in order for staff to become more patient-oriented with individualised services, a humanitarian approach, and ethical values that would foster confidence in patients' abilities to recover quickly and play a significant role in the development of corporate image in the eyes of the public. Doctors and other medical professionals should continue learning in order to broaden their expertise and provide appropriate care to patients. Our research offers a distinct perspective and significant consequences for private corporate hospitals.

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Questionnaire

Section A

Following statements measure the service quality provided by private corporate hospitals. Kindly tick your response based on your experience with service quality provided by hospital. One (1) is strongly disagree (SD), Two (2) is disagree (D), three (3) is Neutral (N), Four (4) is agree (A) and Five (5) is strongly agree (SA).

Reliability		1	2	3	4	5
REL1	The hospital provides services as promised.					
REL2	The hospital shows great concern in solving problems or complaints.					
REL3	The hospital provides the service in a right manner for the first time.					
REL4	The hospital provides services at the time scheduled.					
REL5	The diagnosis made by the hospital is always accurate.					
REL6	The hospital maintains error-free records of the customers.					
Responsiveness						
RES1	The paramedical staff keep the customers informed about the time when services will be provided.					
RES2	The employees give prompt services.					
RES3	The employees are always willing to listen and help you.					
RES4	The employees show readiness to respond to your request.					
RES5	The employees inform you of any changes in advance.					
Assurance						
ASS1	The employees have the knowledge to solve your problems.					
ASS2	The employees are always friendly and courteous to you.					
ASS3	The employees connect you with the correct individual.					
ASS4	The employees instil hope and confidence in the customers.					
ASS5	The customers feel safe and confident in the hands of the employees.					
Empathy						
EMP1	The hospital staff pays special attention to individual customers.					
EMP2	The employees understand the specific needs of the customers.					
EMP3	The employees have the customers' best interest at heart.					
EMP4	The staff is caring the customers wholeheartedly.					
EMP5	The employees remember the patients and their previous problems.					
Tangibles						
TAN1	The hospital has sophisticated and modern equipment.					
TAN2	Waiting room and consultation rooms are visually appealing.					
TAN3	The procedures in the hospital are all computerized.					
TAN4	The physical facilities in the hospital are visually appealing.					

Section A

Following statements measure the corporate image of corporate hospitals. Kindly tick your response based your experience for following statements. One (1) is strongly disagree (SD), Two (2) is disagree (D), three (3) is Neutral (N), Four (4) is agree (A) and Five (5) is strongly agree (SA).

	Patient Satisfaction	1	2	3	4	5
CI1	I trust this corporate hospital.					
CI2	This corporate hospital makes a positive contribution to the welfare of society					
CI3	People's opinion about this corporate hospital is positive.					
CI4	This corporate hospital is a reference in the treatment of medical disease.					