

PHYSICAL APPEALS AND PATIENTS LOYALTY OF PRIVATELY OWNED HOSPITALS IN RIVERS STATE NIGERIA

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Abstract

This paper presents an empirical investigation on the relationship between Physical Appeals and Patients' Loyalty of Privately owned hospitals. Our study population was the 110 privately owned hospitals in Rivers State registered with Nigerian Medical Association (NMA). A sample size was taken using Krejcie and Morgan table which gave us a sample size of 86 hospitals. Five (5) copies of questionnaire were given to each of the 86 hospitals. A total of 430 copies of this questionnaire were completed by in-patients and out-patients of the hospitals studied. Out of the 430 copies, 20 copies were missed, and 10 copies were wrongly filled, that left us with 400 copies used. We adopted the partial correlation analysis to measure the linear relationship between Physical Appeals and Patients Loyalty of the hospitals under study. Spearman's rank order correlation co-efficient data analysis technique with the aid of statistical package for social sciences (SPSS) were used because we looked into the relationship between Physical Appeals and Patient's Loyalty of privately owned hospitals. All the hypothesized Physical Appeals dimensions were adjudged to be relevant in determining Patients Loyalty levels. Our findings from quantitative data analyses support the argument that Physical Appeals affect Patients Loyalty of Privately owned hospitals through ambient condition, expertise and spatial layout.

Key words: Ambience, patients' loyalty, physical appeals, privately owned hospitals

Introduction

Services as we know are largely intangible when marketing. However customers tend to rely on physical cues to help them evaluate the product before they buy it. Therefore marketers develop what we call physical appeal to replace these physical cues in a service. The role of the marketer is to design and implement such tangible evidence. Physical appeal is the material part of a service (Ryu & Han, 2010) Some organizations depend heavily upon physical appeal as a means of marketing communications and these include physical environment, ambience, spatial layout, corporate branding (signs, symbols and artefacts) (Njoku, Kalu & Okeke, 2015). The increased economic value of services as opposed to goods has engendered progress for the past 25 years (Oliver, Rust, and Varki 1997). Today, services account for approximately 70% of all production and employment in the Organization for Economic Co-operation and Development (OECD) of nations and about 75% of the gross domestic product in the United States and parts of the world. (Berry *et al.*, 2006). The competitiveness of service businesses solely rests on its customer's perception of the services to be of good quality (Oliver, Rust, and Varki 1997). Among other factors that strongly impact customer perception of business environment is the appeals of the place in which services are received (Mehrabian and Russell, 1974).

This paper however, addressed the need for a deeper understanding on the relationship between Physical Appeals (e.g., human interaction, ambience; lighting, temperature, colour of the wall, colour of the floor, music, theme, comfort level, and on uniqueness of the layout design) and Patients Loyalty (i.e. Satisfaction, commitment, trust) of Privately owned hospitals in Rivers State. Other studies linked the effect of appeals of a service setting to customer emotions and satisfaction which were (Mehrabian and Russell, 1974; Turlay and Milliman, 2000, 2010b,) and all these were conducted in different service settings. The problem envisaged that lead to this study revolves around the scant literature on Physical Appeals and Patients' Loyalty of Privately Owned Hospitals in Rivers State, Nigeria. This type of study have been carried out in other developed countries of the world, but reverse has been the case in the Nigerian context. The objective of the study is to ascertain if physical appeals of a particular private hospital motivates a patient to patronize one private hospital as against another.

Conceptual Framework

Physical Appeals

Mehrabian and Russell (1974) suggested that affect mediates the relationship between the physical environment and an individual's response to that environment, thus resulting in two behaviours: approach or avoidance. Approach behaviours are represented by an individual's desire to stay, explore, or work in an environment, whereas avoidance behaviours refer to the opposite. In terms of patient's behaviour, approach behaviours include a desire to patronize a private hospital and a willingness to return for future treatment. Because our goal is to examine the impact of the physical appeals on patients' loyalty of privately owned hospitals in Rivers State and evaluations, the outcome variable in the Russell model was changed from avoidance-approach behaviour to satisfaction, and repeat patronage intention. According to Eagly et al. (2001) the impact of Appeals are strong and general phenomenon and the research stream has gained some momentum in later years. Some of the results produced by researchers, primarily in the field of social psychology, show that attractive people and places are more easily recognized (Sarno and Alley, 2007) and are judged more socially and intellectually competent, physically comfortable than unattractive people and places (Eagly et al., 2001). For the purpose of this paper we propose ambient condition, as our measures of physical appeals.

Ambient Conditions

Ambient conditions include background characteristics of the environment such as temperature, lighting, noise, music, and scent. As a general rule, ambient conditions affect the five senses. However, sometimes such dimensions may be totally imperceptible (gases, chemicals, infrasound), yet may have profound effects (Russell and Snodgrass 1987), particularly on patients who spend long hours in the hospital. Temperature is another factor, which can be unpleasant if not controlled adequately. Extreme hot or cold can produce negative emotional states in customers which in turn produce a negative reaction. Thus it is an important part of the ambience conditions in the hospital that it is at the normal level that will suit every patient as some may come down with cold or other health challenges. The type of lighting in an environment directly influences an individual's perception of the definition and quality of the space, influencing his or her awareness of physical, emotional, psychological, and health aspects of the space (Kurtich and Eakin, 1993). Light influences the perceptions of form, color, texture, and enclosure (Ching, 1996).

Patients' loyalty

Bettencourt (1997) identifies loyalty as a customer's behaviour indicator of repeat purchase and voluntary performance. Oliver (1999) described loyalty 'as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing influences and marketing effort which has a potential to cause switching behaviour. Customer loyalty means a customer would return or continue to use the same product or other products of the same organization, make business referrals, and intentionally or even unintentionally providing strong word-of-mouth references and publicity (Bowen and Shoemaker, 1998). Loyal patients are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers (Baldinger and Robinson, 1996). On the other hand, service providers must avoid being complacent as retained customers may not always be the satisfied ones and similarly not all satisfied customers may always be retained.

Customer loyalty is defined as a non-random purchase expressed over time by some decision-making unit (Griffin, 2002). Two important conditions associated with loyalty are customer retention and total share of customer. Ideally, a loyal customer's purchase behaviour reflects both of these conditions. The quest for market share can erode a firm's profitability and the focus away from its profitable customers. Loyalty is the result of paying attention to what it takes to keep a customer and then constantly providing it. Increased customer loyalty leads to high profitability, higher user's retention and more stable financial base (Griffin, 2002). With an increasingly competitive service environment and decreasing switching costs, customer loyalty has become a major theme in marketing research and critical goal for organizations thereby becoming both as essential concern for managers, and a strategic obsession for many (Bodet, 2008; Wallace et al., 2004).

Physical appeals and patients' loyalty

The interactive nature of services is likely to enhance the importance of the social situation and environment in which consumption takes place, as well as the internal state of people. Bitner (1992) argues that the service setting can affect consumer's emotions. (Bateson and Hoffman, 1999), generally referred to as affect, in customer evaluations of the service encounter. In the entertainment industry, services such as amusement parks, on the other hand, might want to make the environment as appealing as possible by making use of the cues in the physical environment. By including this link between the Physical appeal and affect into the conceptual model, managers will be able to assess the impact of different environmental variables (e.g., music, lighting, layout, and signage) on the affective state of their customers in their service setting and subsequently on satisfaction (Carbone and Haekel, 1994). Bitner (1992) says that, there are three composite dimensions that are relevant to the present analysis which are ambient conditions, spatial layout and functionality, signs, symbols and artefacts. The importance of ambience to how a customer contemplates about a service has been documented for some time (Eagly et al. 1991) more so; the impact of service providers' physical facilities (environments) on customer behavior and satisfaction has recently gained the attention of some services marketers (Bitner, 1992).

Physical appeals promote the service and present acceptable image to the consumer hence, the physical elements of the service environment is a catalyst to the service provider, as it gives an opportunity to 'tell the "right" story' about the service offering. Spangenberg, et al., (1996) opine that it can powerfully Influence people's cognition, emotions and behaviour. Within service environments customers can be exposed to numerous stimuli, all of which potentially affect how customers act, what they buy, and their satisfaction with the service experience (Duncan, 1996). Research suggests that physical setting may also influence the customer's ultimate satisfaction with the service (Bitner, 1990 and 1992) hence; customer satisfaction affects customer loyalty in turn affects growth and profitability (Heskett et al., 2008). Even before purchase, consumers commonly look for cues about firm's capabilities and quality (Berry and Clark, 1986).

Ambient condition and patients' loyalty

As many Hospitals today are realizing that they are, in fact, service providers, and consequently that Patients are the critical factors for their continued survival, any self-respecting organization would be foolish to overlook the existing, and potential possibilities for attracting and retaining an increased patronage (Bok, 2003). To this end, various methods for attracting and retaining patients have been proposed by a wide variety of researchers from various academic fields. However, despite the fact that these researchers present an extensive menu of different methods available for service providers to utilize in their attempts of becoming more appealing in the eyes of their patients, there seems to be a general agreement that if the hospital does not deliver on its core offering, it will never succeed in attracting and retaining patients.

Several authors have identified ambient conditions as a factor that affects perceptions of and human responses to the environment (Baker, 1987; Baker, et.al, 1988). There is ample evidence to suggest that the physical appeal has a strong impact on consumption experiences (Kotler, 1973; Reimer and Kuehn, 2005; Bitner, 1992). The vast majority of prior studies have focused on pleasant environments; for a notable exception. Namasivayam and Mattila (2007) who examined both positively and negatively valence of physical evidences, while many previous studies were also conducted in an actual restaurant setting (Jang and Namkung, 2009; Kivela, Inbakaran, and Reece, 2000); the uniqueness of this research is that the notion of Gestalt was adopted, and the interactive effects of perceived congruency and individuals' pleasure or arousal on satisfaction were being tested. The type of lighting in an environment directly influences an individual's

perception of the definition and quality of the space, influencing his or her awareness of physical, emotional, psychological, and spiritual aspects of the space (Kurtich and Eakin, 1993). Light influences the perceptions of form, color, texture, and enclosure (Ching, 1996).

Environmental psychology has assessed the relationship between light intensity and task productivity, revealing that people's perceptions of light influence their perceptions of the environment. Researchers have found that participants perceived tasks more positively and decreased boredom in a room with windows, in contrast to a room without windows (Kim, 1998; Stone and Irvine, 1994). Wohlfarth (1984) researched on the effect of colour and lighting on disciplinary actions in elementary schools and reported alike results. Results showed that in some classrooms the use of natural light appreciably abridged reported incidents of aggressive, disruptive, and destructive behavior. In a service cape, guests take note of music and noise as auditory components of their evaluations. Research work on music and consumer behaviour has shown that music can be used as a useful tool to reduce the negative consequences of waiting in any service operation (Hui et al., 1997). Music brings a positive auditory cue motivating specific consumer behaviours and emotions, as many research works have shown. Yalch and Spangenberg (1988) found that younger shoppers reported spending more time shopping when background music was played and that music had a significant effect on arousal.

H0₁: There is no significant relationship between ambient condition and customer satisfaction.

Items and Scores of Ambient Condition

Four (4) items in the questionnaire; PA₁, PA₂, PA₃, and PA₄ were used to collect data on Ambient Condition.

Table 4.5 Ambient Condition Frequencies

S/N	Items	Mean	Ambient Condition					Total
			Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
PA1	Mild fragrance and colorful interior influence my attitude about the Hospital, and enhance relaxation and prevent fatigue	3.2	91	46	53	112	98	400
			22.8%	11.5%	13.2%	28.0%	24.5%	100.0%
PA2	lightning determine to a large extent the length of my stay in Hospital	3.2	66	68	64	124	78	400
			16.5%	17.0%	16.0%	31.0%	19.5%	100.0%
PA3	Music is the basis of meaning which affects my satisfaction	3.1	85	51	73	82	109	400
			21.2%	12.8%	18.2%	20.5%	27.2%	100.0%
PA4	Doctors' commitment to have a neat, nattily attire and good appearance emphasized above average service level	3.1	77	44	53	88	138	400
			19.2%	11.0%	13.2%	22.0%	34.5%	100.0%
			319	209	243	406	423	1600
			19.9%	13.1%	15.2%	25.4%	26.4%	100.0%

Source: Field Survey Data, January, 2015 (SPSS Output)

Table 4.5 represents the mean of the respondents on the extent of the relationship between ambient condition and condition. The responses from question one to question four have weighted mean of 3.2, 3.2, 3.1 and 3.1 respectively. All the weighted means are greater than the criterion mean of 3.0. The result above showed that ambient condition is rated high by the respondents and therefore considered as determinants of ambient condition.

Test of research hypotheses

To determine the relationship extent between the variables under investigation, the variables in question were subjected to test of hypotheses.

Decision Rule

If the Significant/Probability Value (PV) < 0.05 (Level of Significance) = Reject the null and Conclude Significant Relationship. If the Significant Probability value (PV) > 0.05 (Level of Significance) = Accept the null and Conclude Insignificant Relationship

Hypothesis One

H₀₁: There is no relationship between ambient condition and satisfaction of privately owned hospitals in Port Harcourt.

Table 4.12 Correlation Analysis of Ambient Condition and Satisfaction

			Ambient condition	Satisfaction
Spearman's rho	Ambient condition	Correlation Coefficient	1.000	.787**
		Sig. (2-tailed)	.	.000
		N	400	400
	Satisfaction	Correlation Coefficient	.787**	1.000
		Sig. (2-tailed)	.000	.
		N	400	400

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

Source: SPSS output (based on Field survey data, January, 2015)

The correlation table above revealed a correlation coefficient of 0.79** and probability is 0.000 at a sample size of 400. Thus ambient condition is significantly associated with satisfaction. The alternative hypothesis is accepted and the null hypothesis rejected. i.e P-value < 0.05 level of significance.

Regression analysis

H₀₁: There is no significant relationship between physical appeal (PA) and patients' loyalty.

Model 1: Patients Loyalty = $\beta_0 + \beta_1$ (PA) + ε

Model Summary on Patients Loyalty

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics				
						R Square Change	F Change	df1	df2	Sig. Change
1	.884 ^a	.782	.781		.65255	.782	1427.150	1	398	.000

a. Predictors: (Constant), Physical Appeal

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.621	.082		7.589	.000
	Physical Appeal	.845	.022	.884	37.778	.000

a. Dependent Variable: Patients Loyalty

The tables above shows that the simple model is adequate at P-value (0.000) <5% criteria level, this explain the relationship that exist between physical appeal and patients loyalty. The adjusted R^2 shows that 78% of patient's loyalty is affected by physical appeal. Similarly, the simple model coefficients ($\beta_0 = 0.621$ and $\beta_1 = 0.845$) further explains the significant prediction of patients loyalty. We thus, conclude that there is a significant relationship between physical appeal and patients' loyalty.

Discussion of findings

From the previous chapters, we found that the dimensions of the Physical Appeals as adopted by the privately owned Hospitals in Rivers State, namely: Ambient Condition, Expertise and Spatial Layout have positive relationships. We also established that when the contextual factors; Firm's Orientation was introduced into the regression model; it was found that there exist a relative influence of the moderating variable on the predictor variable, Patient Loyalty increased. According to Morgan and Hunt (1994), firms often look beyond satisfaction to developing commitment or trust in order to ensure economically viable long-term relationships. Further, this recommendation is based on the premise that once commitment is built into a relationship, the likelihood of either party ending the relationship decreases due to high termination costs (Morgan and Hunt, 1994). Those who are not willing to be committed to a customer-vendor relationship in a competitive marketplace are unlikely to be loyal (Lim et al., 1997). In this section, our findings were related to other works; Trust (Spry et al., 2011), customer satisfaction (Stock, 2010), Patient Loyalty (Kunz et al., 2011)

Ambient condition (ac) and customer satisfaction (cs): the relationship

The research hypothesis stating the relationship between Ambient Condition (PA) and Patient Loyalty sought to determine the relationship that exist between the stated dimension and measure as it affects the Privately owned specialist Hospitals in Rivers State. The result as analyzed and interpreted in 4.12 of same chapter reveals that Ambient Condition affects Patient Loyalty. The hypothesis as stated (H_{01}) reveals a significant relationship between the two variables, which is positive and statistically strong ($R=0.787^{**}$ indicating roughly the contribution to Patient Loyalty. We aver that the Ambient Condition of a service setting has the potential to increasing customer satisfaction. We recognized earlier that Ambient Condition of a service setting has the ability to attract and retain customer thereby improving business relationship. In support of the relationship that exist between Ambient Condition and Customer satisfaction.

Pleasant environment to a large extent have been opined to have some degree of overall customer satisfaction (Han and Ryu, 2009, Ryu and Han, 2010; Kim and Moon, 2009), Turley and Milliman, (2009) and Lin, (2010) argue that specific atmospheric attributes have a direct effect on customer satisfaction. Furthermore, Kotler (1973) asserts that Ambient Condition provides discriminative stimuli to customers, which acts as a pointer to service differential and the basis of choosing service provider. Similarly Mehrabian and Russel (1974) Hagen *et al*, (2008) and Rafeili *et al* (2002) argue that a good Physical Appeal play host to most Airline patients and arouses pleasure and dominance to a high degree. Ambient Condition however, has been emphasized by managers as a very important element of service quality (Brady and Cronin, 2001) and an integral part of Airline business. We therefore affirm that firms can use the Ambient Condition of its Physical Appeal which has to do with lightings, music, colours, spatial layout or the general out-look of the Physical Appeal to affect customer's senses subconsciously and create visceral reactions that influence purchase probability (Baker and Cameron, 1996, Bitner, 1992).

Conclusion and recommendation

Conclusion

Physical Appeals of Privately Owned Hospitals strongly affect Patient Loyalty and all the retained hypotheses are supportive of this conclusion. These hypotheses provide empirical evidence that the greater the extent of improvement on Physical Appeal the greater their Patient Loyalty. Ambient Condition positively affects customer satisfaction. Firms that are into service provision should have a good physical environment that mostly privately owned hospitals. Private hospitals should be a home from home rather than a place to be afraid of. Given the health challenges of patients and already charge emotions, the private hospitals should provide a relaxes environment that could help in the quick recovery of patients.

Conclusion

Physical Appeals of Privately Owned Hospitals strongly affect Patient Loyalty and all the retained hypotheses are supportive of this conclusion. These hypotheses provide empirical evidence that the greater the extent of improvement on Physical Appeal the greater their Patient Loyalty. Ambient Condition positively affects customer satisfaction, and Trust in varying degrees. From the review of literature we found a strong support of a positive relationship between Expertises but from our findings, the empirical result reveals that a weak but positive relationship exists between both variables. Similarly a weak but positive relationship exists between Expertise and Trust. The reason for this finding may be that Expertise is not very effective in the industry. Spatial Layout has much impact on Patient Loyalty and Trust as such we conclude that the recent adoption of Spatial Layout of Privately owned Hospitals in Rivers State has immense impact on customer satisfaction and Trust. This however is significant in its relationship but does not translate to optimality.

Limitation/Suggestions for Further Studies

The limitation of this study is based on the fact that this study worked with 400 respondent which is a small number relative to the number of customers in the health sector and it is therefore suggested that future research in this area should carry out same study using a larger sample size.

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