

RELATIONSHIP QUALITY AND CUSTOMER
LOYALTY TOWARDS PRIVATE HOSPITALS
IN MALAYSIA

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DECLARATION

We hereby declare that:

- (1) This undergraduate research project is the end result of our own work and that due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
- (3) Equal contribution has been made by each group member in completing the research project.
- (4) The word count of this research report is 16994 words.

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DEDICATION

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LIST OF ABBREVIATIONS

B2B	Business-to-Business
B2C	Business-to-customer
SERVQUAL	Service Quality
SMEs	Small Medium Enterprise
IV	Independent Variable
DV	Dependent Variable
T	Trust
S	Satisfaction
CT	Commitment
CN	Communication
SQ	Service Quality
CL	Customer Loyalty
SPSS	Statistical Package for Social Science
NT	Not Tested
UTAR	University Tunku Abdul Rahman
Hons	Bachelor of Marketing
RQ	Relationship Quality
F	Frequency
R ²	Coefficient and Determination
N	Number of respondents

PREFACE

This research project is regarding the examination of the association between relationship quality and customer loyalty towards private hospitals in Malaysia. According to the research, most of the hospitals in Malaysia face the problem of increasing number of complaints by patients. Most of the complaints received from patients for both the public and private hospitals include incompetent doctors, nurses and paramedics. Therefore, it has caused a negative perception of people towards the public hospitals and this phenomenon leads to the increase in the number of private hospitals in Malaysia (Sohail, 2003). Nowadays, private hospitals are the primary choice for Malaysian since they believe private hospitals could provide higher quality of health care services.

The purpose of this research is to determine how the relationship quality affects customer loyalty towards private hospital in Malaysia. By conducting this research, the management of private hospitals can clearly understand the important dimensions of relationship quality to be focused on in the effort of creating loyal customers. This research contributes to private hospital sectors through providing suggestions for further improvement and serves as a reference to examine relationship quality with their customers.

Moreover, we also realized that most of the past studies conducted emphasized on examining how perceived service quality affects customer satisfaction which in turn affects to customer loyalty. There are not many researchers tested on how the dimensions of relationship quality affect customer loyalty in private hospital context. Hence, it provides us with insights to examine the association between relationship quality and customer loyalty towards private hospitals in Malaysia.

ABSTRACT

The number of private hospital has increased tremendously over the past decades due to increasing demand for quality health care services and treatments by Malaysian. The public believes that they could obtain a better health care service from private hospital than public hospital because it is a necessity for the private hospital to keep the customers satisfied and loyal. Increasing number of private hospitals makes the hospital industry more competitive and each of the private hospital needs to outperform the others to retain the customer and earn a profit. Therefore, building and maintaining a quality relationship with customer has emerged as an essential element to achieve a competitive edge in such a situation. The purpose of this research is to examine the relationship between dimensions of relationship quality (trust, satisfaction, communication, commitment and service quality) and customer loyalty. Questionnaires were distributed, collected and analyzed to obtain a statistical result to justify the hypotheses made. The result of this study revealed trust, satisfaction, commitment and service quality has a positive relationship with customer loyalty whereas communication has no direct positive relationship with customer loyalty. The result is important to the management team of private hospitals to determine on what are the aspects they should focus on to create and maintain a loyal customer to their hospital to prevent switching of hospital by the customer. In other words, steps should be taken by the management to prevent loss of customer by the hospital and sustainability of the hospital.

CHAPTER 1: RESEARCH OVERVIEW

1.0 Introduction

In this chapter, we will discuss about the research background, problem statement, research objectives, research questions, significance of the study and chapter layout.

1.1 Research Background

The number of hospitals in Malaysia is increasing. There are 140 public hospitals and 223 private hospitals in Malaysia currently (www.imtjonline.com). Health care industry which includes both private and public hospitals has been changed into profit, non-profit and government-owned organizations that leads to intense competition in this industry (Gomes, Yasin & Yasin, 2010).

Malaysian health care system is being characterized by a strong public sector component (Barraclough, 2000). Malaysians are entitled to subsidy in the expenses of medical treatment in the public hospitals. This means that Malaysians only pay a relatively low rate of medical fees whenever they seek medical treatment in public hospitals.

Since 1993, Malaysian's perception of low quality in health care services provided by the public hospitals leads to the growing number of private hospitals (Sohail, 2003). Preference for private hospitals has become a trend since the public believed that they are able to obtain a higher quality of health care services in private hospitals. Well-educated customers and wide availability of hospital's information also becomes a contributor to this trend (Panchapakesan, Chandrasekharan & Prakash Sai, 2010).

Increasing number of private hospitals makes the hospital industry more competitive. Since there are more choices of hospitals available, the expectations of patients become higher and more diversified. As a result, the process of building and maintaining quality relationship has become more complex. This scenario increases the difficulties of hospital to maintain good relationship quality with customer.

Relationship quality is important to hospital. If the relationship quality between the customer and hospital is good, there is higher probability that the patient will trust and feel committed to the hospital. Hence, it will lead to customer loyalty to the hospital. Customer loyalty is important to hospital. This is due to the fact that the hospital would not be able to earn much profit if the customers are not loyal or keep on switching to competitors.

Many researches have been conducted on how perceived service quality affects customer satisfaction which in turn affects to customer loyalty. However, there are not many researchers conducted on how the dimensions of relationship quality affect customer loyalty. Also, to our best knowledge, there has not been any research done on relationship quality in the Malaysian health care industry. Thus, this serves as a gap that we intend to investigate on.

1.2 Problem Statement

One of the problems faced by most of the hospitals in Malaysia is the increasing number of complaints by patients. According to a consumer survey carried out by the Federation of Private Medical Practitioner's Association Malaysia, the overall hospital patients' satisfaction levels had reduced from 94.4% in 2004 to 89% in 2008 (Ng, 2010).

Most of the complaints received from patients for both the public and private hospitals include incompetent doctors, nurses and paramedics. Limited on hand experience of nurses and paramedics caused incapability to provide adequate patient care. Patients feel that they are not being taken care of when physicians provide improper medical examination without concern on the proper medical history. They refuse to trust physicians whom they viewed as unprofessional. Patients who lose confidence on hospital are not motivated to commit in an enduring relationship with hospital since they do not trust the physicians.

Lack of confidence, trust, satisfaction and commitment results in poor relationship quality and ultimately brings negative effect on customer loyalty towards the hospital. Hence, this issue has to be treated seriously and corrective action should be taken to rebuild the confidence towards hospital's staffs especially doctors, nurses and paramedics (Ng, 2010).

In conclusion, the main problem of this research is "How does relationship quality affect customer loyalty in the Malaysian private hospital industry?"

1.3 Research Objectives

The main objective of this study is to examine the relationship between relationship quality and customer loyalty towards private hospitals in Malaysia.

1.3.1 General Objective

This study is to examine the relationship between dimensions of relationship quality (trust, satisfaction, communication, commitment and service quality) and customer loyalty in private hospital industry.

1.3.2 Specific Objectives

The specific objectives are as follows:

- 1.To investigate the relationship between trust and customer loyalty in private hospital industry.
- 2.To investigate relationship between satisfaction and customer loyalty in private hospital industry.
- 3.To investigate relationship between commitment and customer loyalty in private hospital industry.
- 4.To investigate relationship between communication and customer loyalty in private hospital industry.
- 5.To investigate relationship between service quality and customer loyalty in private hospital industry.

1.4 Research Questions

1. Does relationship quality affect customer loyalty in private hospital industry?
2. Which dimensions of relationship quality are significant determinants towards creation of customer loyalty?
3. How are relationship quality and customer loyalty related in a private hospital service environment?

1.5 Hypotheses of the Study

H1: Trust has a positive relationship with customer loyalty in private hospital industry.

H2: Satisfaction has a positive relationship with customer loyalty in private hospital industry.

H3: Commitment has a positive relationship with customer loyalty in private hospital industry.

H4: Communication has a positive relationship with customer loyalty in private hospital industry.

H5: Service quality has a positive relationship with customer loyalty in private hospital industry.

1.6 Significance of the Study

This study helps in providing deeper insights and understanding towards customer relationship management in Malaysia's private hospital industry. It provides various managerial implications especially in determining which aspects to be focused on in building long term quality relationships. It is essential for the managers to recognize the determinants of customer loyalty in order to secure hospital sustainability and gain competitive edge. This study assists managers in determining the most significant dimensions they should focus on in building long term quality and profitable relationship with customers. This research also enables managers in the private hospitals to direct and allocate appropriate resources in creating loyal customer.

In this competitive environment, it is difficult to gain customer loyalty in service industry, especially in the health care industry. Thus, it is important for this research to be conducted to investigate what are the key dimensions in relationship quality that has significant influence on customer loyalty. Besides, this study would be helpful to the private hospital management to examine their current relationship marketing strategies with their customers. Subsequently, the hospital management will be able to develop strong and quality bonding with the customers by offering important relational benefits which customers seek for.

In addition, this research also helps managers to seek for improvement and competitive advantage that cannot be easily duplicated by the others in the health care industry. Continuous improvement enhances the hospital's quality and reputation. Quality and reputable hospitals will attract local and foreign customers to seek for treatment in Malaysia and thus contributes to the growth in Malaysian gross domestic income.

1.7 Chapter Layout

In Chapter 1, we provide a description about the background of the hospital industry in Malaysia. Then, we identify the research problem and formulate the problem statement, research objectives, research questions and hypotheses. Lastly, significance of the study is discussed.

In Chapter 2, a review of the past studies concerning the area of this research which include a detailed explanation of all the variables involved in this research are provided. In addition, we also provide a review of relevant theoretical models and develop a theoretical framework for this research. In the last section of this chapter, we include an explanation about the hypotheses development.

In Chapter 3, we determine the appropriate method and procedure to carry out this research. This chapter includes a description of the research design, chosen data collection methods, sampling design, research instrument, construct measurement, data processing and data analysis.

In Chapter 4, a series of analyses of the data collected are included. The analyses consist of descriptive analysis, scale measurement and inferential analysis. Descriptive analysis consists of respondent's demographic profile and central tendencies measurement of construct. Scale measurement consists of reliability test. Inferential analysis comprises of Pearson Correlation Analysis, Multicollinearity Analysis and Multiple Regression Analysis.

Chapter 5 comprises a summary of the statistical analysis, discussion of major findings, implications of the study, limitations of the research and lastly some recommendations are provided for future research.

1.8 Conclusion

As a conclusion, Chapter 1 provides an insight of the research that will be conducted which is to examine the relationship between relationship quality and customer loyalty. This chapter consists of the background of the research, problem statement, research objectives, research questions, hypotheses and the significance of the study. The following chapter will be discussing on the variables and the proposed theoretical framework of this study.

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter consists of a comprehensive set of literature review on past studies that provides us information to enhance our understanding on the variables in this study. Besides, we will also review the relevant theoretical models, propose a theoretical framework and develop hypotheses in this chapter.

2.1 Review of the Literature

2.1.1 Relationship Marketing

Relationship marketing refers to marketing activities that are used to create and maintain relationship with customers (Morgan & Hunt, 1994). It is an attempt to strengthen the relationship that will be beneficial to both parties involved (Shani & Chalasani, 1992). Parties involved could benefits from continually providing interactive, personalized and value added contact to customer (Shani & Chalasani, 1992). Relationship marketing seeks to develop, maintain and strengthen the relationship at a profit through mutual cooperation of the parties and promise fulfilment to achieve the objectives of the parties involved (Ndubisi & Chan, 2005). The main focus of relationship marketing is to build a long term relationship (Shani & Chalasani, 1992).

2.1.2 Relationship Quality

In turn, relationship quality is considered as subset of relationship marketing. Relationship quality refers to the quality of the communication between an organization and its customers (Keating, Rugimbana & Quazi, 2003).

Relationship quality can be considered as the overall evaluation of the relationship's strength and the extent to which it satisfies the needs and expectations of customer based on the customer's past experiences (Crosby, Evans & Cowles, 1990). Relationship quality is found to be a better predictor of behavioural intention than service quality and it differs significantly from service quality (Roberts, Varkie & Brodie, 2003).

From the firm's perspective, relationship quality is regarded as the quality of communication, intensity of information sharing and satisfaction with the relationship between businesses (Lages, Lages & Lages, 2005). On the other hand, customers are concerned about the relationship between them and the service provider and often evaluate the relationship by using past experiences and encounters with the service provider (Crosby et al., 1990). Therefore, from the customers' viewpoint, relationship quality can be achieved through the ability of sellers to reduce the perceived risk involving in providing services (Chen, Shi & Dong, 2008). Relationship quality is high when the customer is willing to rely on and has confidence towards the service provider's future performance as a result of satisfactory past performance (Crosby et al., 1990).

Relationship quality is also viewed as the trade-off between value and risk, in which improvement in the value of the customer's relationship with a firm will lead to reduction in the customer's perceived uncertainty (Crosby et al., 1990). Uncertainty reduction is not only the important aspect of relationship quality but it also includes interaction efficiency, transaction cost reduction and social need fulfilment (Hennig-Thurau & Klee, 1997). In addition, increased in the duration

of the exchange relationship will cause the relationship quality to increase (Crosby et al., 1990).

There is no widely accepted meaning of relationship quality (Rauyruen & Miller, 2007). Relationship quality is measured by several components. In general, dimensions of the relationship quality consist of trust, satisfaction, commitment (Roberts et al., 2003; Caceres & Paparoidamis, 2007; Qin, Zhao & Yi, 2009; Alrubaiee & Al-Nazer, 2010; Chung & Shin, 2010; Walsh, Hennig-Thurau, Sassenberg & Bornemann, 2010). It is widely accepted that trust and satisfaction are two significant factors that are used to measure relationship quality (Zhang & Feng, 2009). In addition, several studies indicated communication as one of the dimensions of relationship quality (Keating et al., 2003; Fynes, Voss & Burca, 2005; Ndubisi, 2007; Meng & Elliott, 2008). There are only few researchers tested service quality as one of the dimensions of relationship quality (Rauyruen & Miller, 2007; Hennig-Thurau & Klee, 1997). On the other hand, several researchers found that relationship quality has a positive effect on customer loyalty (Hennig-Thurau & Klee, 1997; Roberts et al., 2003).

2.1.3 Relationship Quality Dimensions

2.1.3.1 Trust

In general, trust refers to the result of service provider's ability to perform the services based on reliability, honesty, integrity and specialty (Duncan & Moriarty, 1998; Roberts et al., 2003). The main component of trust is to create, maintain and enhance the long-term relationship between the two parties and trust is widely studied in the social exchange in the marketing (Dwyer, Schurr & Oh, 1987; Anderson & Weitz, 1989; Anderson & Narus, 1990; Ganesan, 1994).

Trust can be categorized into two types which are credibility and benevolence of a person or an organization (Ganesan, 1994; Shankar, Urban & Sultan, 2002). Trust in organizations credibility perspective is grounded on the customers' confidence level on the words of organization that are considered as honest and reliable. Alternatively, trust in an organization's benevolence refers to the perceptions and intentions of the customers on whether the organization cares for customers' well-being (Ganesan, 1994).

In addition, trust is defined as a willingness to believe on an exchange partner reliability and integrity in which one has confidence with (Anderson & Weitz, 1989; Moorman, Zaltman & Despande, 1992). The key component of trust is the extent to which the customer believes that the vendor has the intention and motives that are beneficial to the customer and the performed action will enable positive relationship to be established with customers (Morgan & Hunt, 1994; Ganesan, 1994).

Trust of customers towards a service provider will lead to the re-patronage and word-of-mouth recommendation (Chen et al., 2008). Furthermore, trust of customers help to ensure future exchanges with service providers who emphasize on creating, enhancing and maintaining long-term relationship with customers (Ganesan, 1994; Anderson & Narus, 1990; Anderson & Weitz, 1989).

Last but not least, trust can be enhanced through the credibility and honesty of services provided to the customers by service providers in the view of maintaining long term relationship (Crosby et al., 1990; Morgan & Hunt, 1994; Ha, Karande & Singhapakdi, 2004). Therefore, the importance of trust is higher in developing any relationship in the services industry. The higher level of trust increases the possibility of establishing

a long-term relationship with customers, which in turn will lead to customers being loyal to the firm in the future (Qin, Zhao & Yi, 2009).

2.1.3.2 Satisfaction

Customer satisfaction is defined as the consumer's fulfilment response and the customer's evaluation toward the overall firm's performance in the previous purchase (Oliver, 2009). Satisfaction also refers to a pleasurable feeling that a product or service gave to the customer (Oliver, 2009). In addition, customer satisfaction also includes the cognitive and affective evaluation by the customer on their personal experience with the service provider (Storbacka, Strandvik & Gronroos, 1994). Satisfaction is the evaluation of the quality of all past experiences with the company or service providers and this creates the expectation for future interaction's quality (Roberts et al., 2003).

Customer satisfaction is also defined as the perception of the customers that the product or service which they received is worth for the price that they paid for (Tracey, Vonderembse & Lim, 1999). Expectation can affect the customer satisfaction. Expectation is the reference points that customer use to compare the actual performance and the perceived performance. If perceived performance exceeds expectation, the customer is satisfied and customer is dissatisfied when the actual performance is lower than the expectation (Oliver, 1980). Therefore, in the health care industry, the patient satisfaction is determined by the interaction between the expectation and the perceived service performance (Oliver, 1980).

Satisfaction is found to be important as it will lead to increase cooperation between channel partners and fewer termination of relationship (Ganesan, 1994). By constantly providing high value to customers, the customers are highly satisfied and lead to customer loyalty (Innis & LaLonde, 1994).

2.1.3.3 Commitment

Commitment refers to customer's long term orientation based on emotional ties towards a business relationship (Moorman et al., 1992; Morgan & Hunt, 1994; Geyskens, Steenkamp, Scheer & Kumar, 1996; Chenet, Dagger & Sullivan, 2010). Different researchers defined commitment in different ways. As a result, commitment is also defined as a continuing desire to maintain a valued relationship (Moorman et al., 1992; Zineldin & Jonsson, 2000; Ndubisi, 2007). In addition, commitment has been defined as the aspiration to develop an unwavering relationship, a willingness to make short-range sacrifices to uphold the relationship, and a confidence in the constancy of the relationship (Anderson & Weitz, 1992). Commitment occurs only when the relationship is considered vital by the partners whereby they will try to build their relationships deliberately and seek to minimize their commitment until the probable outcome clearer (Zineldin & Jonsson, 2000; Kong, 2008).

Commitment to a relationship is a significant element in differentiating brand loyalty from simple repeat purchase behaviour (Jacoby & Kyner, 1973; Laohasirichaikul, Chaipoopirutana & Combs, 2010). It is the key concept that differentiates successful relationships from unsuccessful ones, since a commitment to work out complications that arise in a relationship is essential in building a sustainable relationship (Morgan & Hunt, 1994).

Commitment indicates an expectation of higher paybacks by staying in the relationship (Geyskens et al., 1996). Customer loyalty will be enhanced in the long term when committed customers experience relationship closeness (Geyskens, Steenkamp & Kumar, 1999). Commitment represents the highest stage of relational bonding (Dwyer et al., 1987).

Commitment is a constructs that comprising of different dimensions including calculative, normative and emotional or affective commitment (Vesel & Zabkar, 2010).

Calculative commitment is a form of attachment between the firm and the customer as a recognition of forgone paybacks and losses experienced if the relationship is about to dissolve (Geyskens et al., 1996; Gustafsson, Johnson & Ross, 2005). Therefore, calculative commitment is a resulted attachment between the customer and the firm based on rational judgment and economic returns.

On the other hand, normative commitment is an attachment based on moral and obligations a person has on the company (Meyer & Allen, 1997). Individuals who normatively committed to a relationship are those who maintain an affiliation with the organization because of their own beliefs. They believed that their engagement in a relationship with the firm is of moral and right (Wiener, 1982). There are some past studies indicated that normative commitment is highly interrelated with emotional commitment (Allen & Meyer, 1990; Bansal, Irving & Taylor, 2004).

Emotional or affective commitment refers to a customer's free will to retain the relationship with the firm which they do business with (Allen & Meyer, 1990). It is the only element that stimulates the degree to which the customer wants to maintain a relationship with the firm (Roberts et al., 2003).

Emotional commitment grows as the degree of mutual exchange or personal participation between the customer and the firm grows (Gustafsson et al., 2005). Customers keep a relationship with the firm which they do business with because they recognize and like the firm (Fullerton, 2005). The customer wants the organization to succeed when

he or she is emotionally attached to it (Fullerton, 2005; Vesel & Zabkar, 2010).

2.1.3.4 Communication

Communication is considered necessary in service sector especially when it serves as a tool to build up and improve long-term relationship with customers. Communication also refers to the formal and informal sharing of important and timely information between two parties (Anderson & Narus, 1990). Several scholars proposed that communication is the skill of service providers in delivering instantly updated, meaningful and trustworthy information to customers (Ndubisi, 2007; Anderson & Narus, 1990; Moorman, Despande & Zaltman, 1993).

Communication is also defined as exchange of information between service providers and customers. Studies have argued that the exchange of information is essential in building good relationship quality with customers (Anderson & Narus, 1990; Anderson & Weitz, 1989; Dwyer et al., 1987; Morgan & Hunt, 1994). Besides that, communication also refers to sharing of secrets between customers and service providers and its content or style is vital in establishing quality relationship (Ndubisi, 2007). Mutual disclosure or sharing of secrets helps to enhance perceived service quality of firm by customers (Williams & Spiro, 1985; Ndubisi, 2007). Communication also facilitates the cooperation and trust between customers and service providers that result in enhancing both parties' ability to match expectations and perceptions of each other (Alrubaiee & Al-Nazer, 2010).

In addition, communications in relationship marketing can be referred to present trusted information about the services, accomplish the promises

and a source of resolution if delivery problem occurs (Ndubisi & Chan, 2005; Alrubaiee & Al-Nazer, 2010). Communication serves as a source of remedy to get dissatisfied customers informed about the service recovery done by firms to reduce their negative perceptions of service delivery (Ndubisi & Chan, 2005).

Quality of communication is determined through several characteristics that consist of accuracy, timeliness, completeness, adequacy and credibility (Fynes et al., 2005; Beloucif, Donaldson & Kazanci, 2004). It is crucial to avoid extended periods of time during which service providers do not have contact with customers as higher perceived risk associated with more no contact time (Claycomb & Martin, 2002). Service provider can reduce the perceived risk of making a purchase of the service through more communication with customers which can enhance good relationship quality (Meng & Elliott, 2008).

Effective communication in healthcare industry is useful to decrease the level of ambiguity, worries and suspicions of patients before actual experience of the healthcare service and eventually augment to their overall satisfaction with service providers (Bowers, Swan & Koehler, 1994).

Communication should be well-planned throughout the whole process including before, during and after service delivery to build up good relationship quality with customers (Gronroos, 2004). For instance, service providers can arrange the customer process through reminding customers the date of appointment before service is provided, providing constant interaction or contact with customers during service delivery as well as follow-up services after service delivery.

2.1.3.5 Service Quality

Service quality is defined as an evaluation process where customers compare expectations of services with his or her perception of the actual service performance (Chaniotakis & Lymperopoulos, 2009; Parasuraman, Zeithmal & Berry, 1988). In addition, service quality is also defined as the gap between customers' expectations before experience a service and perceptions towards a service provider after experience the service (Bloemer, Ruyter, & Wetzels, 1999). Besides, the overall concept of service quality is interpreted as a comparison of expected level of service and the actual service performance (Zaim, Bayyurt & Zaim, 2010). The quality of service provided by a firm is measured in term of the five dimensions under the SERVQUAL model which include reliability, responsiveness, tangibility, assurance and empathy (Parasuraman et al., 1988; Zeithaml, Berry & Parasuraman, 1996).

Responsiveness is measured in terms of willingness to help customers and provide quick service (Bloemer et al., 1999). Reliability refers to the ability to execute the promised service dependably and accurately (Chaniotakis & Lymperopoulos, 2009). Facilities and equipment of the hospital incorporate comfortable environment and friendly staff are related to the tangibility of the service provided (Chaniotakis & Lymperopoulos, 2009). Assurance is associated with knowledge and courtesy of staff and their ability to convey trust and confidence (Chaniotakis & Lymperopoulos, 2009). Empathy refers to provision of caring and individualized attention to its customers (Bloemer et al., 1999).

2.1.4 Customer Loyalty

Customer loyalty is defined as the customer's intention of long term commitment to repeat purchase or patronize the same services providers in the future (Oliver, 1999). Loyal customer will convey positive word-of-mouth about the company and recommend relevant products to the others (Bowen & Chen, 2001). They engage in behaviour that helps the company to gain the positive brand reputation among the competitors (Bowen & Chen, 2001).

Loyal customers are committed to repurchase and patronize a preferred product or services and they are not easy to switch to purchase from other brands or services (Zhang, Vonderembse & Lim, 2005). In order to create a loyal customer, company need to establish a good relationship with customer by giving concern to customers and encouraging them to future repurchase (Rauyruen & Miller, 2007).

Loyalty can be categorized as active loyalty and passive loyalty. Active loyalty refers to the people who like to spread word-of-mouth and have high intention to use a specific product or service (Kong, 2008). On the other hand, passive loyalty refers to the people who are not easy to switch under the less positive condition or the competitive offerings provided by competitors (Kong, 2008).

There are three main aspects of loyalty, which are behavioural loyalty, attitudinal loyalty and composite loyalty. Behavioural loyalty is defined as the customers' intention to repurchase and patronise the products or services (Chaudhuri & Holbrook, 2001). Attitudinal loyalty refers to the customers who attempt to influence others to use the products or services through word-of-mouth or recommend the relevant products or services to other (Andreassen & Lindestad, 1997; Chaudhuri & Holbrook, 2001). Composite measurement of loyalty is the combination of behavioural loyalty and attitudinal loyalty that explains the

customer loyalty based on customer preferences and repeat purchase (Jacoby & Kyner, 1973).

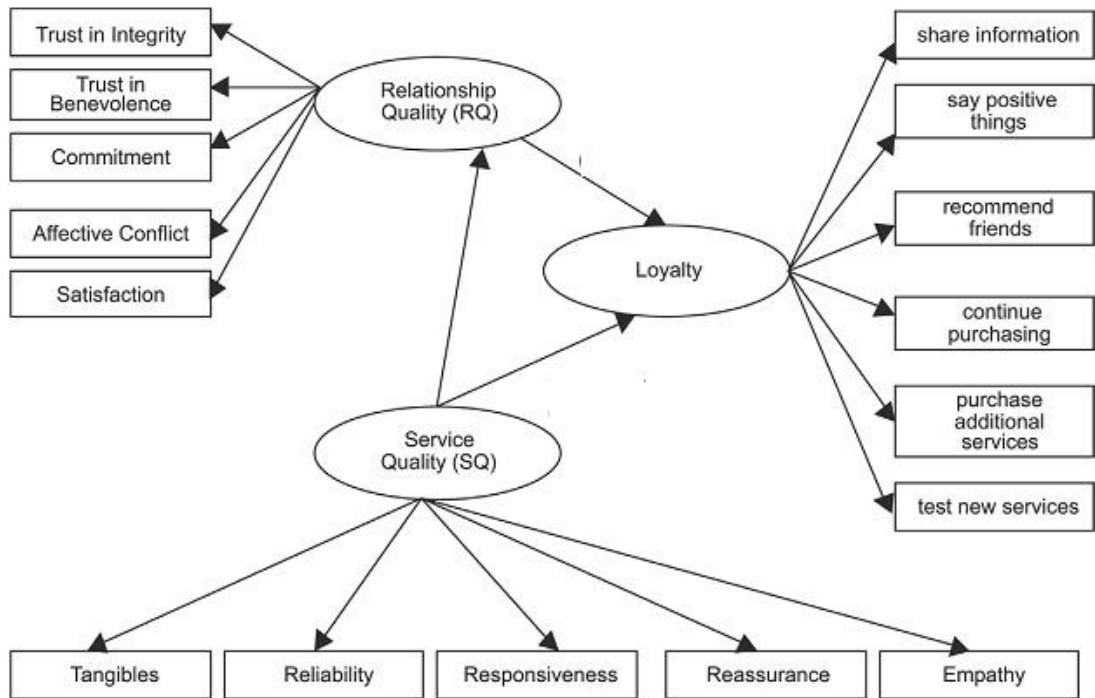
Customer loyalty can be measured through the consumer intention to recommend positive things about service provider, intention to encourage friends and relatives to do business with the service provider, intention to carry on purchasing services from existing service provider and intention to purchase additional services from service provider (Butcher, Sparks & Callaghan, 2001; Zeithaml et al., 1996). Thus, companies with a larger group of loyal customers benefit from higher repeat purchase rates, higher cross-selling opportunities, price insensitive, lower potential of switching to competitors and engage in advocate behaviour (Rust, Danaher & Varki, 2000).

Last but not least, in order to maintain and enhance the customer's loyalty, the company has to understand and fulfil the customer basic needs and wants (Caceres & Paparoidamis, 2007). Moreover, company need to add value to its services provided to customers so as to increase the purchase frequency, purchase quantity, and avoid switching behaviour (Rust, Lemon & Zeithaml, 2004). In addition, Rust et al. (2004) proposed two additional items including consumer's willingness to share information with others and consumer's willingness to test services developed by the firm.

2.2 Review of Relevant Theoretical Models

2.2.1 Review of Relevant Theoretical Model 1

Figure 2.1: Relevant Theoretical Model 1



Note:

1. Numbers in parentheses are the t-values
2. Numbers outside of parentheses are the standardized path coefficients

Source: Roberts, K., Brodie, R., & Varki, S. (2003). *Measuring the quality of relationships in consumer services: An empirical study.*

The model above is developed by Roberts, Brodie and Varki in 2003. The purpose of the research conducted is to provide companies with an appropriate scale for measuring the quality of intangible relationships and their customer in business to consumer context. In addition, the researchers test the scale against

the correlated yet divergent scale for service quality to determine whether the relationship quality scale adds any further explanation of behavioral intention or customer loyalty.

The goal of this model is to propose a more relevant and applicable scale that can be used to measure quality of relationships between service firms and their customer who is individual consumer. The importance of relationship quality and service quality in contributing to customer loyalty is not a new issue in business-to-business (B2B) context. There a few constructs and model developed for B2B market.

However, Roberts et al. suggested a new framework for measuring relationships quality, service quality and customer loyalty in business-to-customer (B2C). The researchers found out that scales suggested in the past model in B2B is less accurate and relevant to consumer services due to differences between the organizational buyer purchasing behavior and the individual consumer purchasing behavior.

B2B relationships are primarily based on rational behavior and mutual acceptance of reciprocity (Dwyer et al., 1987). Thus, the degree of necessity for relationships should be viewed and measured in different perspective for B2B and B2C market.

The research was conducted based on online self-administered questionnaires and two rounds of sampling process to figure out the factors that could be included as attributes in each of the variables. The first round undergo 111 sample using convenience sampling and the second round using probability sampling which is simple random based on the phone directory list in major city to send 1020 set of questionnaires. Final samples of 232 consumers which are non-biased were used for confirmatory factor analysis.

The independent variable proposed in this model is service quality. There are five items listed as attributes under service variable based on the SERVQUAL model including tangibles, reliability, responsiveness, reassurance and empathy.

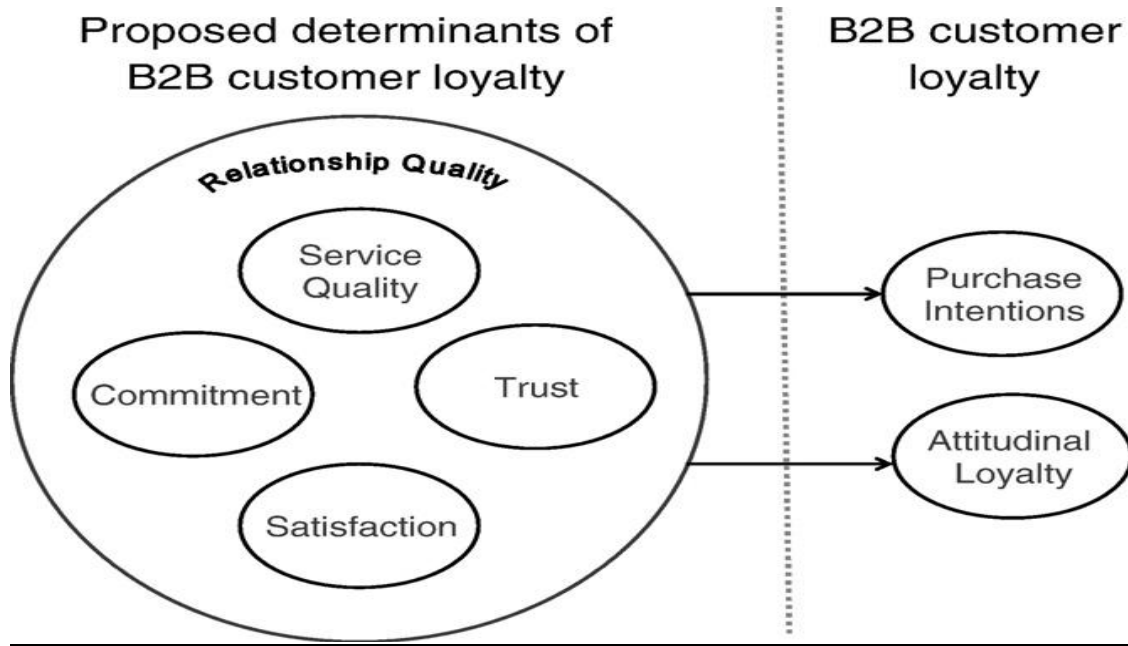
Relationship quality is the mediating factor suggested by the researchers. There are five dimensions accounted in relationship quality which are trust in integrity, trust in benevolence, commitment, affective conflict and satisfaction.

The dependent variable in this model is customer loyalty. There are six items in customer loyalty that consist of customer willingness to share information, say positive things about the firm to others, recommend the firm to friends, willing to continue purchasing, purchase additional services and test new services offered by the firm.

The result of the research indicates that relationship quality is a separate construct from service quality and that relationship quality is a better predictor of behavioral intentions or customer loyalty than service quality. The result from empirical study confirms it is worthwhile to pursue and invest in building relationship quality since it will benefit the firm in term of increased consumer loyalty. The research also found the direct effect of service quality on loyalty is insignificant because the direct effect of service quality on consumer loyalty is wholly mediated by relationship quality.

2.2.2 Review of Relevant Theoretical Model 2

Figure 2.2: Relevant Theoretical Model 2



Source: Rauyruen, P. & Miller, K. E. (2007). *Relationship quality as a predictor of B2B customer loyalty*.

The model above is developed by Rauyruen and Miller in 2007. The purpose of the research conducted is to examine the influence of relationship quality on customer loyalty in the business-to-business (B2B) context.

They suggested relationship quality as a main concept covering commitment, trust, service quality and satisfaction that can explain the impact of overall relationship quality on customer loyalty. These two researchers are the first who investigate the loyalty in B2B environment in courier service among the small medium enterprise (SMEs).

This study was carried out in Australia's courier industry. The target population for this research is business customers especially SMEs in Australia.

Two techniques including mail survey and online survey were used to collect data from the target population.

Researchers made calls to potential respondents before the mail survey to gain their permission of participation. The response rate for the mail survey is low as there were only 52 questionnaires received out of a total of 500 that sent out to the target population. On the other hand, online survey was conducted by sending emails to 4000 SMEs. There were 1216 SMEs clicked on the survey link inserted in the emails but only 254 questionnaires completed and received were usable.

The independent variable proposed in this model is relationship quality. There are four dimensions of relationship quality, namely, commitment, trust, service quality and satisfaction.

The dependent variable in this model is customer loyalty. There are two main items in customer loyalty that consist of purchase intentions and attitudinal loyalty.

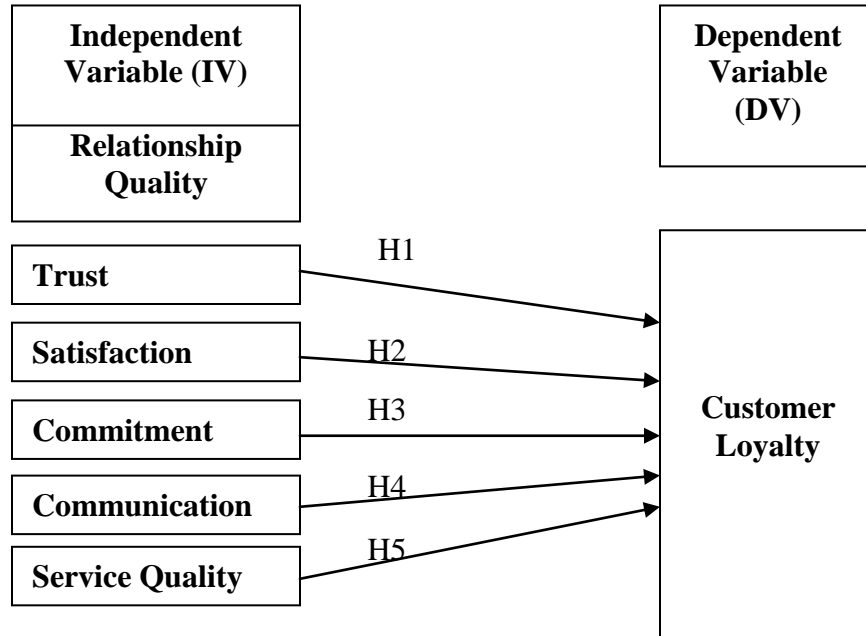
The researchers recommended that more efforts should be given by supplier to improve the customer satisfaction and create outstanding service delivery systems. These are the two key factors that encourage customers to make repeat purchase.

Based on the result analyzed, the study postulated that a supplier should emphasize on establishing a relationship grounded on maintaining the customer's commitment, the creation of customer's trust, improving overall satisfaction and offering superior service systems in the creation and development of sustainable attitudinal loyalty.

2.3 Proposed Theoretical Framework

Figure 2.3: Proposed Theoretical Framework

The Relationship between Relationship Quality and Customer Loyalty



Source: Developed for research

The chart above shows the proposed framework that will be used in this research project. The proposed framework is adapted from the study of Roberts et al. (2003) and Rauyrueen and Miller (2007).

The purpose of this study is to examine the relationship between relationship quality and customer loyalty.

There are five independent variables that will be used to study the relationship between relationship quality and customer loyalty. The independent variables are trust, satisfaction, commitment, communication and service quality. Dependent variable is customer loyalty that is measured by customers' willingness to share

information, say positive things to others, recommend the service providers to friends, continue purchasing the service, purchase additional services and test new services.

The framework above was developed as a result of thorough reviewed and analysis of past studies grounded on the issue of relationship quality and customer loyalty. The purpose of this framework is to serve as a guidance which governs our research towards achieving the objective of investigating the relationship of different constructs in the framework. The previous model suggested by Roberts et al. (2003) and Rauyruen and Miller (2007) was being modified to adapt and fit in the nature of hospital industry which we intend to study. This is due to the possibility that the relationship among constructs stated in the framework might differ from one industry to another industry as a result of different business nature.

In this framework, there are five hypotheses identified to test the relationship between variables that will be discussed further in hypotheses development.

2.4 Hypotheses Development

2.4.1 The Relationship between Trust and Customer Loyalty.

Numerous studies indicated that trust has a significant positive relationship with customer loyalty (Roberts et al., 2003; Caceres & Paparoidamis, 2007; Rauyruen & Miller, 2007; Alrubaiee & Al-Nazer, 2010; Walsh et al., 2010; Liu, Guo & Lee, 2011).

Based on several studies reviewed earlier, the fundamental and core component of establishing as well as maintaining a long-term relationship with the

individual or business customers is trust (Morgan & Hunt, 1994; Hennig-Thurau & Klee, 1997; Wong & Sohal, 2002; Roberts et. al., 2003).

In addition, trust builds up the confidence of parties that engaging in a relationship and result in extended benefit for both parties (Roberts et al., 2003). It is proven by researchers that greater amount of trust in a business-to-customer (B2C) relationship increase the profitability of the organization (Wong & Sohal, 2002).

The following hypothesis is developed and proposed in our research based on the review of past studies conducted by various researchers.

H1: Trust has a positive relationship with customer loyalty in private hospital industry.

2.4.2 The Relationship between Satisfaction and Customer Loyalty.

A negligible variation in customer satisfaction can result in a significant alteration in customer loyalty towards the relationship between themselves with the service provider (Oliva, Oliver & MacMillan, 1992). Customers are expected to have little engagement in loyal actions when they are not satisfied with the services provided by the firm. Dissatisfied customer who have little engagement in loyal conduct is a signal to dissolution of relationship between the customer and the service provider (Butcher et al., 2001).

Based on past researches conducted by multiple researchers, a sense of satisfaction by customer during and after the service delivery process with the service provider will directly and positively influence their loyalty towards the company. Besides that, past research also shows that customer satisfaction will

influence customer loyalty significantly (Butcher et al., 2001; Rauyruen & Miller, 2007; Walsh et al., 2010; Liu et al., 2011).

The hypothesis below is developed and proposed in our research based on reviewed of past studies conducted by several researchers.

H2: Satisfaction has a positive relationship with customer loyalty in private hospital industry.

2.4.3 The Relationship between Commitment and Customer Loyalty.

Commitment is shown to have positive impact on customer loyalty and their loyal behavior including repurchases based on a number of past studies conducted by various researchers (Morgan & Hunt, 1994; Rauyruen & Miller, 2007; Walsh et al., 2010). Customer's willingness to continue actively involved in developing and maintaining relationship with its service provider play an essential role in influencing relationship performance (Morgan & Hunt, 1994). It is because loyalty that the customers have towards in a business relation is parallel to their commitment they have towards their relationship with the firms (Morgan & Hunt, 1994).

A hypothesis is developed on the relationship between customer commitment and their loyalty as shown is various past researches.

H3: Commitment has a positive relationship with customer loyalty in private hospital industry.

2.4.4 The Relationship between Communication and Customer Loyalty.

Studies revealed that communication is also an important dimension of relationship quality and it is positively and directly related to the creation of customer loyalty (Meng & Elliott, 2008; Alrubaiee & Al-Nazer, 2010). Perceived risk of services can be reduced when customers are well-informed by their service providers and so customers are more likely to engage in enduring relationship with the organization (Ndubisi, 2007) Timely and truthful information that is communicated to the customers also helps to develop and sustain an enduring relationship with customers (Alrubaiee & Al-Nazer, 2010).

The hypothesis below is formed and proposed in our research after the review of past studies.

H4: Communication has a positive relationship with customer loyalty in private hospital industry.

2.4.5 The Relationship between Service Quality and Customer Loyalty.

Service quality has significant positive relationship with customer loyalty (Ruyter & Wetzel, 1998). Long-term customer loyalty is the positive outcome of good service quality (Zeithaml et al., 1996). Past researches indicated that loyalty is significantly influenced by tangibles, assurance, empathy and responsiveness (Lei & Mac, 2005). Perceived service quality has shown to have a significant impact on customer loyalty by measuring the influences of service quality on each dimension of customer loyalty (Ruyter & Wetzel, 1998). The dimensions of customer loyalty include customer's willingness to recommend

the service to others, committed to make repeat purchase and insensitive to price. When service quality is high, customers have intention to engage in positive behaviour such as committed to continue business with the company (Zeithaml et al, 1996).

The following hypothesis is developed and proposed in our research based on the review of past studies conducted by various researchers.

H5: Service quality has a positive relationship with customer loyalty in private hospital industry.

2.5 Conclusion

In conclusion, Chapter 2 provides a review of past researches that had been conducted by various researchers. This chapter comprises the definition of all the variables involved in this research, a proposed theoretical framework and hypotheses are constructed based on the review of past studies. The development of the hypotheses is important as it helps the researcher to decide which methods to be used to conduct the test. The following chapter will be discussing on the methods that will be used to carry out the research.

CHAPTER 3: METHODOLOGY

3.0 Introduction

The main purpose of developing this chapter is to determine and describe the appropriate methods and procedures to carry out this research. This chapter comprises research design, data collection methods, sampling design, research instrument, constructs measurement, data processing and data analysis. A detailed methodology was developed to examine the hypotheses of the research. Towards the end of this chapter, conclusion was made to provide a summary of the major themes addressed in the chapter.

3.1 Research Design

A research design is a framework for coordinating the marketing research project that specifies the procedures necessary to obtain the information needed and to solve the marketing research problem (Zikmund, Babin, Carr & Griffin, 2010).

3.1.1 Quantitative Research Design

Quantitative research is a type of methodology that seeks to quantify the data typically and conclude the evidence by analyzing the data scientifically. The main objective of developing the quantitative research design is to test whether hypotheses developed are significant.

3.1.2 Descriptive Research Design

Descriptive research is a type of conclusive research that acts as major description of some market characteristics or functions. Descriptive research is also a way to look into behaviour of respondent without influence their answers. The purpose of descriptive research is to gain information about the association between relationship quality and customer loyalty in private hospital industry.

3.2 Data Collection Methods

Data collection is the process of obtaining useful information in order to improve the decision made for a research. Both primary and secondary data are collected for this research. The purpose of data collection is to collect information and understand concepts in detail regarding the association between relationship quality and customer loyalty in private hospital industry.

3.2.1 Primary Data

Primary data is the information that is collected for the first time and it is useful for researcher to address the problem on hand (Malhotra, 2006). In general, collecting primary data is more expensive and time consuming as compared to the secondary data source. Primary data collection is being carried out through survey using the self-administered questionnaires. Self-administered questionnaires require respondents to answer the questions by choosing from a list of pre-test options.

3.2.2 Secondary Data

Secondary data refers to data that have already been collected and published by researchers (Malhotra, 2006). Secondary data is inexpensive because it can be easily gathered from various sources such as printed media and internet. By using secondary data, the researcher can provide a good starting point in defining the problem and doing the research objective. Besides, secondary data serves as a guideline for researchers to identify variables easily.

The secondary data that we used include sources such as journals and scholar articles to obtain information that are needed to describe and explain the implications of this research. Sources of journals that we had used for conducting this research include Emerald, ScienceDirect, JSTOR and ProQuest. Other sources of secondary data for this research are articles, Google Scholar and marketing research books.

3.3 Sampling Design

Sampling refers to any procedures researches engaged in to draw conclusion based on measurements of a portion of the population or sample (Zikmund et al., 2010). Sampling is a process where a sample is select from a population. A sample is a subset from a larger population. Sampling involves a set of process including define the target population, determine the sampling location, decide the sampling elements, select the sampling technique, determine the sample size and execution of the entire sampling process.

3.3.1 Target Population

Target population is the total collection of elements including group of individual persons, objects, or items about which we wish to make some inferences (Malhotra, 2009). In choosing the target population that is appropriate for our research, element or the object about the information is desired.

The target population for our research are individual patients and their family members in Penang, Johor and Klang Valley whose age between 16 to 70 years old and used various medical services provided by the hospital. These two groups of people were chosen because they experience the service and supporting facilities provided by the hospital. Based on the experience they gain, it will form a set of perception they have towards the hospital relationship quality and ultimately influence their loyalty to the hospital.

3.3.2 Sampling Location

Sampling location is the place which we will conduct our onsite fieldwork via distribution and collection of questionnaires. We decided to choose several hospitals located and scattered around Malaysia as the main site for us to distribute 250 sets self-administered questionnaires. 250 sets of questionnaires will be distributed to patients and their family members who use the services provided by the hospital.

Hospitals such as Penang Adventist Hospital, Bagan Specialist Centre, KPJ Johor Specialist Hospital, Putra Specialist Hospital (Batu Pahat), Subang Jaya Medical Centre, Arunamari Specialist Medical Centre, Tung Shin Hospital, and Pantai Hospital in Klang are chosen to conduct this survey. These hospitals are located in Penang, Johor and Klang Valley. We decided to choose these three

states in Malaysia as our sampling location to distribute the questionnaires because the admission rates to private hospitals located in these three states are highest as compared to other nations in Malaysia. The admission rates for Klang Valley, Penang and Johor were 413435, 153095, and 89818 respectively (National Healthcare Establishment and Workforce Statistics 2008-2009, 2011).

The underlying rationale for choosing several sites is because our research intend to prove that relationship quality have a positive relationship with customer loyalty in Malaysian's private hospital across boundaries in Malaysia.

In addition, these hospitals are located in regions that have high population as compared to others. Thus, the number of samples is expected to be relatively larger than other places as the population size is large. As a result, the data collected from the samples are able to represent the whole population in Malaysia and reflect higher level of truthfulness of the scenario.

Moreover, the result obtained from the questionnaires distributed in private hospitals in Penang, Johor and Klang Valley is expected to be more accurate and representative since most of the citizens in areas which constitute of high education people. Citizen with high education level is expected to have the capability to understand and interpret the questions listed in the questionnaires correctly and comprehensively. Thus, it will help in reducing the sampling error that might occur which will affect the results validity and reliability.

3.3.3 Sampling Elements

The sampling element or sampling unit is the unit containing the element which available for selection at some stage of sampling process (Malhotra, 2009). In the research, questionnaires will be distributed to respondents whose age between 16 to 70 years old. The respondents include patients and their family members. The

reason we choose them is that they experienced private hospital services in the past. Thus, the result generated will be more accurate and representative.

3.3.4 Sampling Technique

The sampling technique that we are going to use is non-probability sampling technique. Non-probability sampling technique is a sampling technique that relies on the researcher's personal judgment rather than chance to select sample elements (Malhotra, 2009). Non-probability samples may yield good estimates of the population characteristics. In non-probability sampling, we will use judgmental sampling to select the respondents. Judgmental sampling is a sampling method where the population elements are selected based on the researcher's judgment. This technique is chosen as the sample selected can be representative to the population of interest (Malhotra, 2009).

3.3.5 Sampling Size

Sample is a subgroup of the population that is involved in the study (Malhotra, 2009). A sample size of 250 set of self-administered questionnaires were chosen to represent our target populations in the research conducted. This sample size is within the range of 200 to 500 which is suggested as an appropriate sampling size by the past researchers although there is no correct sample size exist (Hair, Anderson, Tatham & Black, 1995). Therefore, this sample size is sufficient to represent the population of interest and to run the statistical test.

3.4 Research Instrument

Self-administered questionnaire is used to collect relevant data and information to prove that there is positive relationship between relationship quality and customer loyalty. Questionnaire is used as it assists researchers to obtain accurate information about respondents. Besides that, questionnaire is a cost effective way to conduct survey of a large sample size, easy to be used for analysis of data collected and reduce bias due to the standardized questions provided (www.statpac.com).

3.4.1 Questionnaire

There are three parts of questionnaires being designed for this research, namely Section A, Section B and Section C. Section A is meant for collecting the information about demographic profile of respondents such as gender, age, race, education level and occupation. Section B consists of questions about the perceptions of respondents towards importance of relationship quality in the private hospitals. Lastly, Section C comprises questions about respondents' intention to remain loyal to the private hospital they have visited.

3.4.2 Pilot Test

Before questionnaires are distributed to conduct on large scale, pilot test is conducted to refine the survey questions to ensure that no error occurs in questionnaire (Zikmund et al., 2010). 30 sets of questionnaires were distributed for pre-test purposes.

3.5 Constructs Measurement

Table 3.1: Constructs Measurement of Variables

Questions	Adapted from researchers
<u>IV1 : Trust</u>	
1. I am willing to rely on hospital services.	(Ndubisi, Khoo-Lattimore, Yang & Capel, 2011; Meng & Elliott, 2008)
2. I have confidence in the hospital services.	(Ndubisi et al., 2011; Keating et al., 2003)
3. I believe the hospital staff concern for my well-being.	(Franco, Ramos & Velicia, 2009)
4. Hospital staff are honest.	(Bruggen, Kacker & Nieuwlaat, 2001; Roberts et al., 2003)
5. Hospital staff have high integrity.	(Roberts et al., 2003)
<u>IV2 : Satisfaction</u>	
1. Hospital services always meet my expectations.	(Alrubaiee & Al-Nazer, 2010; Walsh et al., 2010)
2. I am delighted with the services provided by the hospital.	(Roberts et al., 2003; Qin et al., 2009; Butcher et al., 2001)
3. I am happy with the services provided by the hospital.	(Roberts et al., 2003)
4. I am satisfied with the overall performance of services provided by the hospital.	(Liu et al., 2011)
<u>IV3: Commitment</u>	
1. I feel emotionally attached to the hospital.	(Roberts et al., 2003)
2. I continue to deal with this hospital because I genuinely enjoy my relationship with them.	(Roberts et al., 2003; Alrubaiee & Al-Nazer, 2010)
3. I defend the hospital when other people criticised it.	(Anderson & Weitz, 1992)
4. It is important for me to maintain relationship with the hospital.	(Patterson & Smith, 2001)

<p><u>IV4: Communication</u></p> <ol style="list-style-type: none"> 1. The hospital provides timely information to me. 2. The hospital provides information when there is a new service. 3. The hospital always provides accurate information. 4. The hospital always provides credible information. 5. Doctor and nurses explain the medication process in detail. 	<p>(Keating et al., 2003; Ndubisi et al., 2011)</p> <p>(Ndubisi et al., 2011; Keating et al., 2003; Meng & Elliott, 2008)</p> <p>(Ndubisi et al., 2011)</p> <p>(Chakrabarty, Whitten & Green, 2005)</p> <p>(Choi et al., 2005)</p>
<p><u>IV5: Service Quality</u></p> <ol style="list-style-type: none"> 1. The hospital should provide services as promised. 2. The hospital staffs provide prompt service when I needed. 3. Facilities in the hospital are pleasant and appealing. 4. Doctors and nurses are knowledgeable. 5. Hospital staff are caring. 	<p>(Zaim et al., 2010; Teng, Ing, Chang & Chung, 2007; Harris & Goode, 2004)</p> <p>(Teng et al., 2007; Sohail, 2003; Berndt, 2003)</p> <p>(Etgar & Fuchs, 2009; Sohail, 2003; Zaim et al., 2010; Choi et al., 2005)</p> <p>(Zaim et al., 2010; Sohail, 2003; Etgar & Fuchs, 2009)</p> <p>(Choi et al., 2005; Sohail, 2003; Etgar & Fuchs, 2009)</p>
<p><u>DV: Customer Loyalty</u></p> <ol style="list-style-type: none"> 1. I would recommend the hospital to friends. 2. I say positive things about this hospital to other people. 3. I would continue to seek medical services from this hospital. 4. I refuse to change to another hospital. 	<p>(Leverin & Liljander, 2006; Butcher et al., 2001)</p> <p>(Čater & Čater, 2010).</p> <p>(Harris & Goode, 2004)</p> <p>(Harris & Goode, 2004)</p>

Source: Developed for the research.

Nominal scale is the most basic level of measurement. A value is assigned to each of the object to identify and categorize the object to be measured in a study (Zikmund et al., 2010). The classes that have identified using nominal scale are mutually exclusive and collectively exhaustive. There is no commonality between classes for mutually exclusive objects. The objects in every class share the same characteristics. Collectively exhaustive refers to all objects fall into one of the classes (Malhotra, 2006). Nominal scale is used in section A to collect general information and data for demographic profile such as gender, age, race, educational level and occupation.

Interval scale is the combination of nominal and ordinal scale (Zikmund et al., 2010). Distance between any two positions on the scale is measured using interval scale. The same values in the attribute being measured are represented by the same distances on the scale (Maholtra, 2006). There is no absolute zero point in an interval scale. Interval scale is used in Section B (dimensions of relationship quality) and Section C (customer loyalty) of the questionnaires.

3.6 Data Processing

3.6.1 Data Checking

Data checking is the process that used to identify inaccurate and incomplete data. In this research, data checking is used to check all the questions in the questionnaires to ensure that the questions answered by the respondents are entered correctly and completely. If there is any error found during the process of data checking, the error will be detected and omitted automatically. The occurrence of error or incomplete answers is eliminated by checking the data collected thoroughly.

3.6.2 Data Editing

The objective of using data editing is to ensure that the questionnaires provided are accurate, complete and consistent with the research. Errors such as incomplete answer and extra answer due to misunderstanding of questions can be reduced by data editing.

3.6.3 Data Coding

Data coding is defined as the assignment of code or number to represent the possible response to each question (Maholtra, 2009). There are two types of data coding which are pre-coding and post-coding. Pre-coding refers to the assignment of codes before distributing the questionnaire to respondents and is used when most of the questions in the questionnaire are structured questions. Post-coding is used when the questionnaire consists of unstructured questions and codes are assigned after all the questionnaires were collected back from the respondents (Maholtra, 2009).

In the questionnaire, nominal scale is used in which the number is assigned to identify or classify an object. Nominal scale is used in Section A of the questionnaire which comprises the general information of respondent. For example, the coding for the gender question, Male is assigned with 1 and Female is assigned with 2.

In addition, five points Likert scale is also used in the questionnaire. Likert scale is a rating scale that required the respondent to indicate the degree of agreement or disagreement to a statement in the questionnaire (Maholtra, 2009). Section B and Section C of the questionnaire consists of questions that seek for the opinion of the respondents about the relationship between relationship quality and

patient's loyalty towards private hospitals and the intention of patients to remain loyal to the hospitals they have visited.

5 points Likert scale is used in these two sections ranging from 'Strongly Disagree', 'Disagree', 'Neutral', 'Agree' and 'Strongly Agree'. Each of the five points will be assigned with different number. For instance, Strongly Disagree is numbered with '1', Disagree with '2', Neutral with '3', Agree with '4' and Strongly Agree with '5'.

Besides, all the independent variables are also assigned with code for systematic data entry in the analysis part. For example, Trust with 'T', Satisfaction with 'S', Commitment with 'CT', Communication with 'CN', Service Quality with 'SQ' and Customer Loyalty with 'CL'.

3.6.4 Data Transcribing

Data transcribing involves transferring of coded data from the questionnaires by keypunching into the computer (Maholtra, 2009). Key punching of data collected from distribution of questionnaires is a common data transcribing method used by most researchers. Optical recognition, digital technologies, bar code and other technologies are alternatives available to researchers in transferring coded data into the computer system for data analysis (Maholtra, 2009).

3.6.5 Data Cleaning

Data cleaning is an important part of the data processing. Data cleaning is a step in which researchers engaged in to filter out all the incomplete data as well as checked and verified that the errors of the data have been corrected and removed.

Data cleaning is a final phase in data processing. It is a process to ensure that the relevant data collected from the questionnaires distributed has been correctly entered into the computer system for analysis purposes.

3.7 Data Analysis

Data analysis is a process in which the researcher tries to get a better insights and interpretation of raw data collected. Data analysis transforms raw data into meaningful information and draw conclusion by reviewing details related to the study (Zikmund et al., 2010). Proposed hypotheses that are significant can be proven by analyzing the data collected statistically (Sekaran & Bougie, 2010).

250 sets of questionnaires that are distributed and collected will be analyzed using Statistical Package for Social Science (SPSS) software version 16.0. The main analyses involved are descriptive analysis, scale measurement such as reliability test, and inferential analysis including Pearson correlation analysis, multicollinearity analysis and multiple regression analysis.

3.7.1 Descriptive Analysis

Descriptive analysis is the basic transformation of raw data in a manner that described the basic characteristics of data that helps the researcher to comprehend, reorganize and manipulate the data into information that can be easily described (Zikmund et al., 2010). The basic measurements used in descriptive statistics are mean, mode, variance and standard deviation.

3.7.2 Scale Measurement

Reliability test is used to examine the reliability and validity of the data collected. It is used to check the consistency of the answers provided by the respondents as well as ensure the questionnaire designed is error free. Cronbach's Alpha is the computation that measure inner-item consistency. If the Cronbach's Alpha is within the range of 0.6 to 1.0, the variables are considered as reliable. The closer Cronbach's Alpha to 1.0 indicates that the result is better and more reliable.

Table 3.2 Rules of Thumb Cronbach's Alpha Coefficient Size

Alpha Coefficient Range	Strength of Association
Less than 0.60	Poor Reliability
0.60 to less than 0.70	Fair Reliability
0.70 to less than 0.80	Good Reliability
0.80 to less than 1.0	Very Good Reliability

Source: Zikmund, W.G., Babin, B.J., Carr, J.C., & Griffin M. (2010). *Business research methods*. (8th ed.). Canada: South-Western, Cengage Learning.

Reliability test plays a crucial role in research as it helps to ensure the questions designed in the survey forms are correct. A low Cronbach's Alpha shows that there is question that is inappropriate to be included in the questionnaire.

3.7.3 Inferential Analysis

3.7.3.1 Pearson Correlation Analysis

Pearson Correlation analysis is used to examine the degree of linear relationship between two quantitative variables. Strength and direction of the relationship existing between the two variables can be determined through the computation of Pearson Correlation.

Correlation ranges from -1 to +1 in which the value of 0 indicates no linear relationship, a value of +1 shows positive relationship and the value of -1 means perfect negative relationship. The closer the r to ± 1 , the stronger is the relationship between X and Y. If r is equal to zero, then there is no correlation between X and Y.

The followings are the guidelines for the Pearson Correlation Analysis.

Table 3.3 Pearson Correlation and Strength of Correlation Relationship
between Variables

Pearson Correlation	Strength of Correlation Relationship
$r = 0.10$ to 0.29 or $r = -0.1$ to -0.29	Weak
$r = 0.30$ to 0.49 or $r = -0.30$ to -0.49	Moderate
$r = 0.50$ to 1.00 or $r = -0.50$ to -1.00	Strong

Source: Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach*. (5th ed). United Kingdom: John Wiley & Son Ltd.

3.7.3.2 Multicollinearity Analysis

Multicollinearity analysis is the computation that used to identify whether there is occurrence of more than one variable in a multiple regression model that are found to be highly interrelated (Zikmund et al., 2010). Multicollinearity can be detected through testing the correlation matrix among all independent variables in the research.

If the result shows high correlations with the p-value of 0.70 and above, there is occurrence of multicollinearity (Sekaran & Bougie, 2010). In addition, if the correlation value is more than 0.9, the independent variables are said to be highly correlated with each other. If correlation is found to be high between independent variables, one of the variables is required to be omitted or create a new independent variable which is not highly correlated with other variables.

3.7.3.3 Multiple Regression Analysis

Multiple regression analysis is the computation that used to identify the relationship between a dependent variable with more than one independent variable (Zikmund et al., 2010).

In this research, the relationship between a dependent variable (customer loyalty) and multiple independent variables (Trust, Satisfaction, Commitment, Communication and Service Quality) is determined using multiple regression analysis.

Multiple regressions will be computed by adopting the formula of $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$. The symbols in this formula

represent different meanings. “Y” represents the dependent variable; “a” represents the intercept or constant, “b” refers to the partial regression coefficients and “X” refers to the independent variables.

The following multiple regression equation is formed:

* **Multiple Regression Equation**

$$* CL = a + b_1 T + b_2 SA + b_3 CT + b_4 CM + b_5 SQ$$

3.8 Conclusion

In conclusion, Chapter 3 explains the research design, data collection methods, sampling design, research instrument, construct measurements, data processing and data analysis. This research methodology serves as a guideline on how to carry out the research. In the following chapter, data collected will be analyzed and result of analysis will be presented.

CHAPTER 4: DATA ANALYSIS

4.0 Introduction

This chapter comprises several analysis including descriptive analysis, reliability analysis, Pearson correlation analysis, multicollinearity and multiple regression analysis. SPSS 16.0 statistical software is used to compute the results collected from respondents statistically. Demographic information of respondents is presented in the form of pie chart to give an overview of respondents' profile.

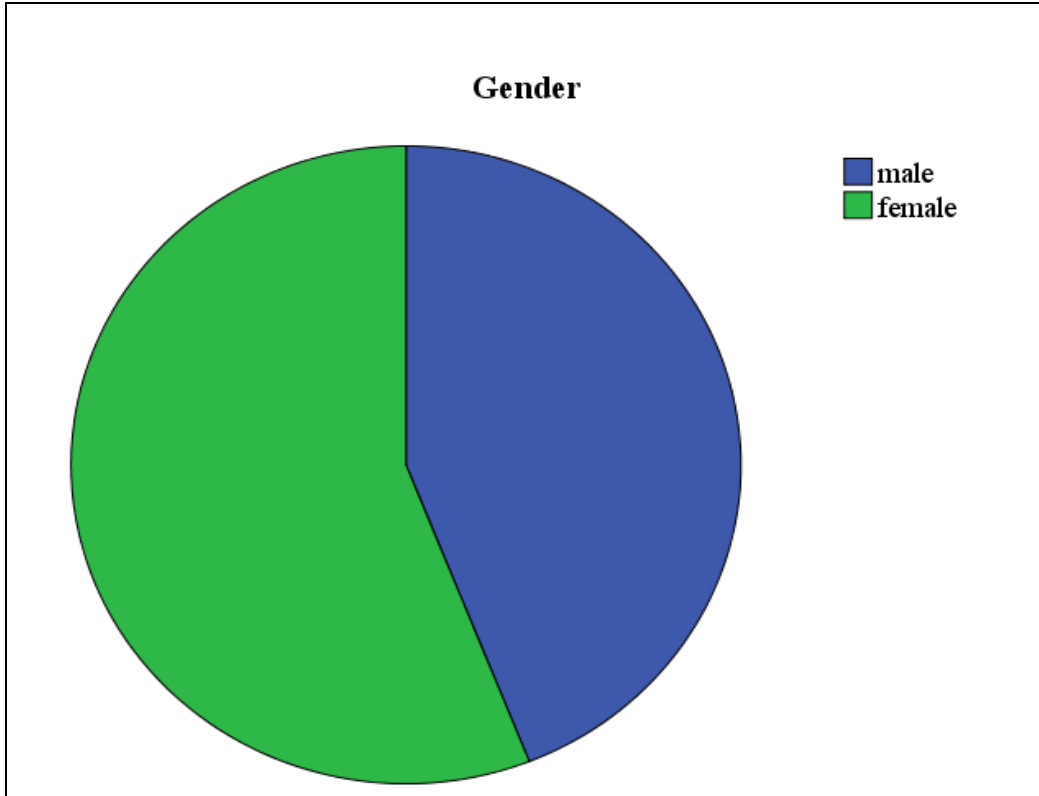
Descriptive analysis is being used to find out the frequency of respondent's answer. Reliability test is being computed through Cronbach's coefficient to ensure that the answers collected from the samples are reliable for further analysis. Besides that, inferential analyses describe the crucial tests of getting final result which included Pearson correlation analysis, multicollinearity and multiple regression analysis.

4.1 Descriptive Analysis

4.1.1 Respondent Demographic Profile

Demographic data questions are set in section A of the questionnaire. There are six questions in this part which include the respondent's gender, age, race, qualification, occupation and private hospital that respondent has visited recently.

Figure 4.1: Gender



Source: Developed for the research

Table 4.1: Respondent's Gender Percentage Distribution

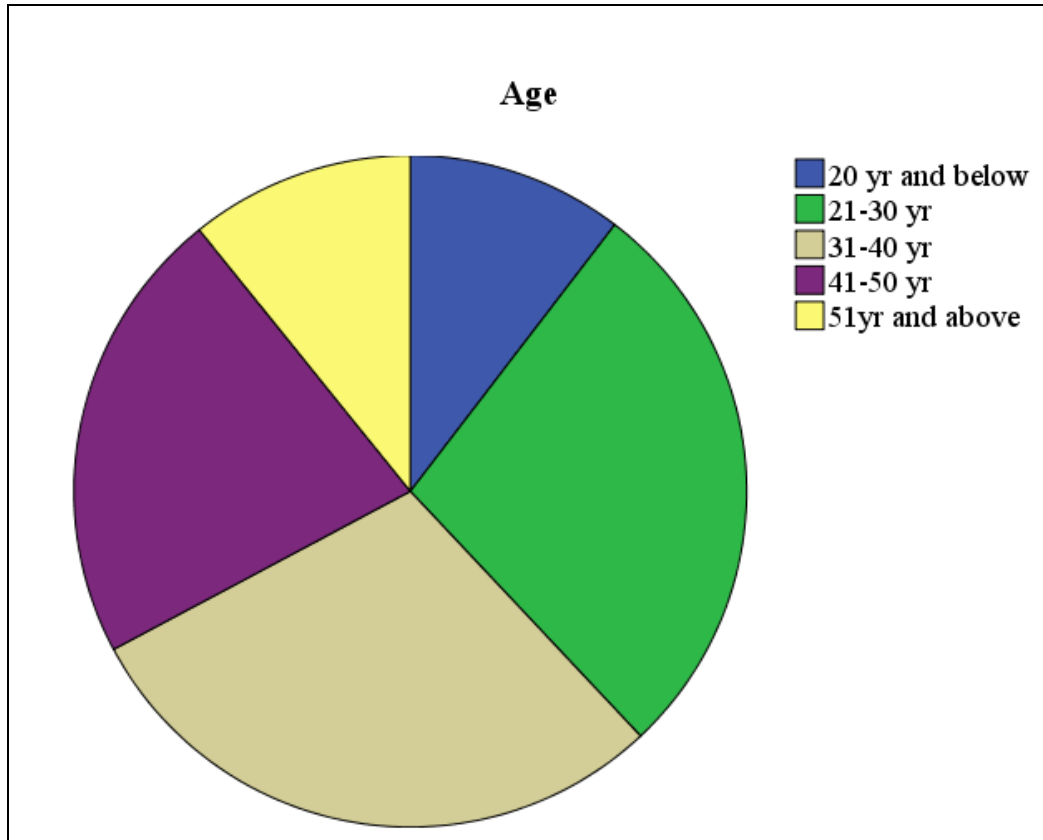
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	110	44.0	44.0	44.0
female	140	56.0	56.0	100.0
Total	250	100.0	100.0	

Source: Developed for the research

According to Table 4.1, results show that majority of respondents are female respondents as compared to male respondents in which 56% of respondents are

female (140 respondents) and male comprises 44% of respondents (110 respondents).

Figure 4.2: Age Group



Source: Developed for the research

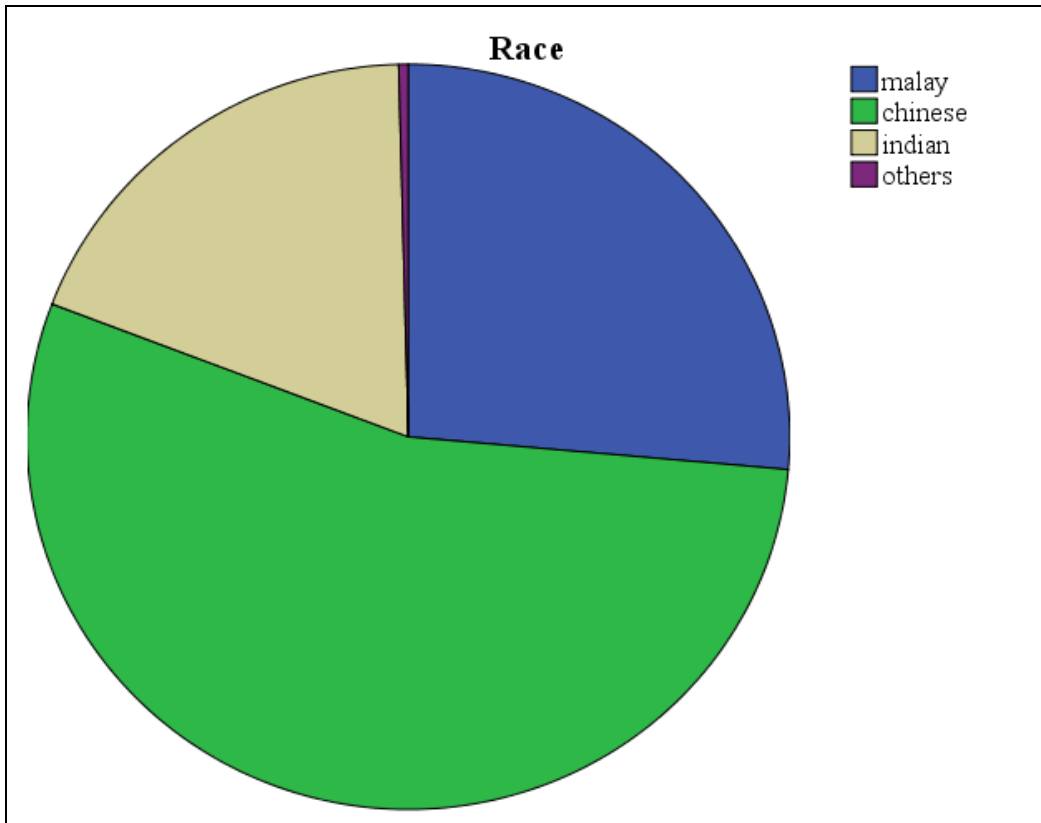
Table 4.2: Respondent's Age Percentage Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <20 yr	26	10.4	10.4	10.4
21-30 yr	69	27.6	27.6	38.0
31-40 yr	73	29.2	29.2	67.2
41-50 yr	55	22.0	22.0	89.2
>51yr	27	10.8	10.8	100.0
Total	250	100.0	100.0	

Source: Developed for the research

Based on Table 4.2, 250 respondents are involved in this survey. The respondents who are aged between 20 or below made up of 10.4% (26 respondents) of the total respondents, those whose age in the range of 21 to 25 years old constitute 27.6% (69 respondents) of the total respondents, 31 to 40 years old comprises 29.2% (73 respondents) of the total respondents, followed by 41 to 50 years old constitute 22% (55 respondents) of the total respondents and 10.8% of respondents (27 respondents) are represented by those whose aged of 51 and above .

Figure 4.3: Race



Source: Developed for the research

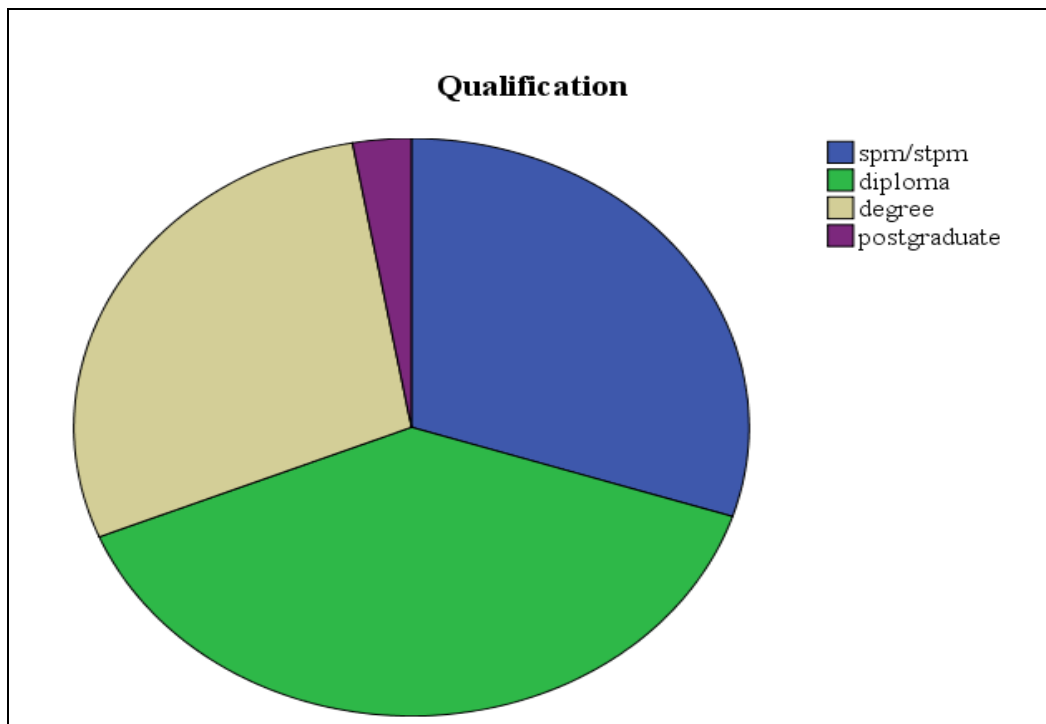
Table 4.3: Respondent's Race Percentage Distribution

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	66	26.4	26.4	26.4
	Chinese	136	54.4	54.4	80.8
	Indian	47	18.8	18.8	99.6
	Others	1	.4	.4	100.0
	Total	250	100.0	100.0	

Source: Developed for the research

Based on Table 4.3, the highest race group in our questionnaires is the Chinese with 54.4% (136 respondents). The second highest race group involved in this research is the Malay respondents with 26.4% (66 respondents), followed by Indians respondents with 18.8% (47 respondents) and the lowest race group in our questionnaires is others that made up of 0.4% (1 respondent) of the total respondents.

Figure 4.4: Qualification



Source: Developed for the research

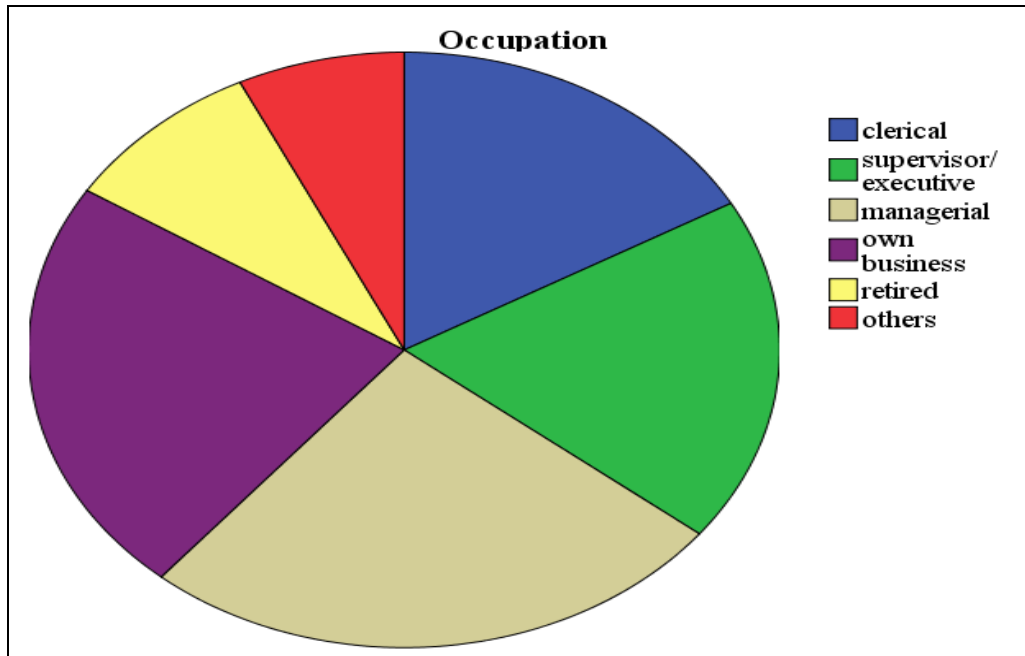
Table 4.4 Respondent's Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SPM/STPM	75	30.0	30.0	30.0
Diploma	97	38.8	38.8	68.8
Degree	71	28.4	28.4	97.2
Postgraduate	7	2.8	2.8	100.0
Total	250	100.0	100.0	

Source: Developed for the research

Based on Table 4.4, it shows the respondents' qualification level. Diploma holder represented the highest percentage of respondents in research with 38.8% (97 respondents), the second highest are SPM/STPM students with 30% (75 respondents), followed by Degree holder with 28.4% (71 respondents). In addition, the lowest percentage of respondents in this research was represented by postgraduates with 2.8% (7 respondents).

Figure 4.5: Occupation



Source: Developed for the research

Table 4.5: Respondent's Occupation Percentage Distribution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid clerical	42	16.8	16.8	16.8
supervisor/executive	47	18.8	18.8	35.6
managerial	64	25.6	25.6	61.2
own business	57	22.8	22.8	84.0
retired	22	8.8	8.8	92.8
others	18	7.2	7.2	100.0
Total	250	100.0	100.0	

Source: Developed for the research

Based on Table 4.5, most of the respondents' occupation category was managerial position that made up of 25.6% of the respondents (64 respondents), followed by those who own business which formed a group of 22.8% (57 respondents). In addition, supervisor/ executive category stand for 18.8% (47 respondents), clerical represented 16.8% (42 respondents) and 8.8% of respondents (22 respondents) are represented by retirees. The lowest percentage of occupation category is others that made up of 7.2% respondents (18 respondents).

4.1.2 Central Tendencies Measurement of Constructs

Questionnaires were used to measure all variables that are developed in this research which comprises trust, satisfaction, commitment, communication, service quality and customer loyalty.

4.1.2.1 Trust

Table 4.6: Descriptive Statistics for Trust

	N	Rank	Mean	Std. Deviation	Variance
Willing to rely	250	1	4.06	0.507	0.257
Confidence	250	5	4.19	0.546	0.298
Concern for well being	250	3	4.15	0.568	0.322
Honest	250	4	4.16	0.611	0.373
Integrity	250	2	4.09	0.665	0.442
Valid N (listwise)	250				

Source: Developed for the research

According to the results shown in the Table 4.6, "confidence" appears to be the attribute for trust which has the highest mean with a value of 4.19.

Based on the questionnaires distributed and computed using SPSS 16.0, majority (93.6%) of the respondents agreed that they have confidence in the hospital they trust in. This major group of respondents constitutes of 25.6% strongly agree and 68% agree (Refer to Appendix 4.1). On contrary to the one who agreed with the statement, there are a total of 0.4% of respondents who disagree and 6% of respondents who hold a neutral opinion (Refer to Appendix 4.1). On the other hand, the statement “willing to rely” are the attribute which has the lowest mean with a value of 4.06. There are a total of 90.8% of respondents who agreed that they are more willing to rely on the services provided by the hospital they trust in while there are a total of 0.4% of respondents who disagree with this statement. In addition, 8.8% of the respondents neither agree nor disagree (Refer to Appendix 4.1).

4.1.2.2 Satisfaction

Table 4.7: Descriptive Statistics for Satisfaction

	N	Rank	Mean	Std. Deviation	Variance
Meet expectation	250	1	4.02	0.688	0.473
Delighted	250	4	4.13	0.676	0.457
Happy	250	3	4.11	0.640	0.410
Satisfied with overall performance	250	2	4.10	0.642	0.412
Valid N (listwise)	250				

Source: Developed for the research

Based on the statistical result displayed in Table 4.7, it shows that “Delighted” is the statement under the independent variable of satisfaction

which has the highest mean with a value of 4.13. The statistical result calculated using SPSS along with the questionnaires distributed to and collected from respondents, there are a total of 88% respondents indicated that they are delighted with the services provided by hospital they visited. Out of this 88% of delighted respondents, there are 27.2% of respondents who strongly agree with the statement and 60.8% of respondents who agree to the statement (Refer to Appendix 4.2). In contrast, there is only 2% of respondents who hold a strongly disagree and moderate disagree opinion with the statement (Refer to Appendix 4.2). Besides that, there are 10% of respondents who remain neutral (Refer to Appendix 4.2). In opposition to the statement “Delighted”, “meet expectation” appears to be the statement which has the lowest mean. There are a total of 85.2% of respondents who are agreed that they are satisfied with the services provided by the hospital which able to meet their expectations. This group of respondents consists of 20.8% of respondents who holds strongly agree opinion and 64.4% of respondents who are moderate agree to the statement. On the contrary, there are 0.4% and 2.8% of respondents who are strongly disagree and disagree respectively to the statement because they do not think that meeting up their expectations will constitutes to satisfaction they have on the hospital they visited and experience the services. Furthermore, there are 11.6% of respondents who are neutral to the statement asked.

4.1.2.3 Commitment

Table 4.8: Descriptive Statistics for Commitment

	N	Rank	Mean	Std. Deviation	Variance
Emotionally attached	250	1	3.88	0.858	0.736
Continue to deal with	250	4	3.97	0.747	0.557
Defend	250	2	3.93	0.793	0.629
Maintain relationship	250	2	3.93	0.757	0.573
Valid N (listwise)	250				

Source: Developed for the research

According to Table 4.8, it shows that the statement “continue to deal with the hospital visited” has the highest mean with 3.97. There are total of 78.4% of respondents who are agreed that they will continue to deal with the hospital they visited. In this group, there are 22.4% and 56% respondents who are strongly agreed and agreed with this statement respectively (Refer to Appendix 4.3). In contrast, there are only 3.2% of respondents who disagreed that they will continue to deal with the hospital they visited (Refer to Appendix 4.3). Moreover, there are 18.4% of respondents remain neutral to this statement.

Besides, the statement “I emotionally attached to the hospital I visited” has the lowest mean with 3.88. Under this statement, there are 78.4% of respondents who agreed that they are emotionally attached to the hospital they visited. This group comprises of 19.2% of respondents who strongly agreed that they are emotionally attached to the hospital they visited and 59.2% respondents agreed with this statement (Refer to Appendix 4.3). On

the other hand, there are 2% and 6% of respondents who strongly disagreed and disagreed with this statement respectively (Refer to Appendix 4.3). This means that they do not feel emotionally attached to the hospital they visited. In addition, there are 13.6% of respondent remain neutral to this statement.

4.1.2.4 Communication

Table 4.9: Descriptive Statistics for Communication

	N	Rank	Mean	Std. Deviation	Variance
Timely information	250	2	3.78	1.038	1.078
Inform new service	250	1	3.75	1.084	1.175
Accurate information	250	4	3.86	0.954	0.911
Credible information	250	3	3.84	0.945	0.893
Detailed explanation	250	5	3.93	0.944	0.891
Valid N (listwise)	250				

Source: Developed for the research

Based on the statistical result displayed in the Table 4.9, it shows that “Detailed explanation” has the highest mean with 3.93. There are total 84% of respondents indicated that the hospital provided detailed explanation on the service provided. From this group, it can be further divided that 23.2% respondents strongly agreed with this statement and 60.8% respondents agreed with this statement (Refer to Appendix 4.4).

Besides, there are 4% and 6% of respondents strongly disagreed and disagreed that the hospital provided detailed explanation of the service provided respectively (Refer to Appendix 4.4). Moreover, there are 6% of respondents remain neutral to this statement.

On the other hand, the statement “Inform new service” appears to have the lowest mean with 3.75. There are 22.8% of respondents who are strongly agreed and 50.4% of respondents agreed that the hospital inform the patient about the new service (Refer to Appendix 4.4). On the contrary, there are total of 15.2% of respondents who are disagreed that the hospital informs the patient about the new service. Out of this 15.2%, there are 5.6% respondents and 9.6% respondents who are strongly disagreed and disagreed with this statement respectively. In addition, there are 11.6% of respondents neither agree nor disagree with the statement.

4.1.2.5 Service Quality

Table 4.10: Descriptive Statistics for Service Quality

	N	Rank	Mean	Standard Deviation	Variance
Provide promised service	250	2	3.78	1.038	1.078
Prompt service	250	1	3.75	1.084	1.175
Pleasant and appealing facilities	250	4	3.86	0.954	0.911
Knowledgeable	250	3	3.84	0.945	0.893
Caring	250	5	3.93	0.944	0.891
Valid N (listwise)	250				

Source: Developed for the research

According to Table 4.10, “knowledgeable” is the attribute of service quality which appears to be the highest mean with a value of 4.24. There are a total of 92.4% respondents indicated that they have the perception of doctors and nurses are knowledgeable in the hospitals they have visited. Out of 92.4% who supported the statement, there are 33.2% of respondents who are strongly agreed with the statement while 59.2% agree with the statement (refer to Appendix 4.5). On the contrary, there are 6.8% of respondents who remain neutral, 0.4% respondents disagree and 0.4% respondents strongly disagree with the statement. On the other hand, “provide promised service” is the statement under the independent variable of service quality which has the lowest mean with a value of 4.11. 90% of respondents which composed by 23.6% of respondents strongly agree and 66.4% of respondents agree with the statement that explains the hospital provides services as promised. 7.6% of respondents remain neutral with the statement of “provide promised service”. A total of 2.4% of respondents oppose the statement in which 2.0% of them disagree and 0.4% of them strongly disagree with the statement (refer to Appendix 4.5).

4.1.2.6 Customer Loyalty

Table 4.11: Descriptive Statistic for Customer Loyalty

	N	Rank	Mean	Std. Deviation	Variance
Recommend to friends	250	2	4.04	0.630	0.396
Say positive things	250	4	4.17	0.673	0.454
Continue to seek services	250	3	4.09	0.601	0.362
Refuse to change	250	1	3.90	0.815	0.664
Valid N (listwise)	250				

Source: Developed for the research

Table 4.11 shows that the statement of “say positive things” which explained the meaning of customer loyalty appears to be the highest mean with a value of 4.17 while “refuse to change to another hospital” has the lowest mean of 3.90. 90% of the respondents supported the statement of “say positive things about the hospital to other people”. This major group is represented by 29.2% of respondents strongly agree and 66.8% of respondents agree with the statement (refer to Appendix 4.6).

A small group of people which composed by 0.8% respondents strongly disagree and 0.8% of respondents disagree with the statement while the remaining 8.4% remain neutral. There are 18.8% of respondents strongly agree and 60.4% of respondents agree with the statement of “refuse to change to another hospital”. In addition, 13.6% of respondents remain neutral for this statement and small portion of respondents oppose with the statement. There is a total of 7.2% respondents which composed by respondents who indicated their opinion of strongly disagree and disagree with the statement (refer to Appendix 4.6).

4.2 Scale Measurement

Reliability test is needed to be done before hypothesis testing to ensure reliability and consistency of the responds collected from the sample population. Cronbach’s Alpha is used to measure the internal consistency and a value of cronbach’s alpha which is below 0.6 appears to prove the result as not reliable (Malhotra, 2009). If the result of Cronbach’s alpha shows the value that is close to 1, it indicates the result has high internal consistency (Sekaran & Bougie, 2010).

Table 4.12: Reliability Test

Dependent variable & Independent variables	Cronbach's Alpha	No of items
Trust	0.790	5
Satisfaction	0.874	4
Commitment	0.808	4
Communication	0.929	5
Service quality	0.803	5
Customer Loyalty	0.824	4

Source: Developed for the research

Table 4.12 demonstrates the result of each independent variable Cronbach's Alpha. All the independent variables listed in the table above are reliable and consistent as they have an alpha coefficient which is above 0.6.

Communication is the variable that shows the most consistent result as compared to others. It has the highest alpha value of 0.929, with 5 items. On the contrary, trust shows the least consistent result with the alpha value of 0.790, with 5 items. On the other hand, the alpha value of dependent variable (customer loyalty) is 0.824, with 4 items.

4.3 Inferential Analyses

4.3.1 Pearson Correlation Analysis

Table 4.13: Result of the Pearson Correlation

		Trust IV1	Satisfact ion IV2	Commit ment IV3	Communi cation IV4	Service Quality IV5	Custom er Loyalty DV
Trust IV1	Pearson Correlation Sig. (2-tailed)	1					
Satisfact ion IV2	Pearson Correlation Sig. (2-tailed)	.532** .000	1				
Commit ment IV3	Pearson Correlation Sig. (2-tailed)	.492** .000	.550** .000	1			
Communi cation IV4	Pearson Correlation Sig. (2-tailed)	.442** .000	.439** .000	.425** .000	1		

Service Quality IV5	Pearson Correlation	.585**	.678**	.611**	.480**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
Customer loyalty DV	Pearson Correlation	.525**	.656**	.576**	.455**	.644**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

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

Source: Developed for the research

Table 4.13 shows the result of correlation matrix which is used to measure the relationship between all the independent variables towards dependent variable. Based on the result, all the five independent variables (trust, satisfaction, commitment, communication and service quality) have positive relationship with dependent variable (customer loyalty). Satisfaction has the strongest association with customer loyalty which has displayed a correlation value, $r = 0.656$. In contrast, communication is the independent variable which has the weakest positive relationship with customer loyalty since it has a correlation value, $r=0.455$. All independent variables are statistically significant with dependent variable as they show the p-value of less than 0.05 level.

4.3.2 Multicollinearity Analysis

Table 4.14: Result of the Partial Correlation

		TrustI V1	Satisfacti on IV2	Commitme nt IV3	Communi cation IV4	Service Quality IV5
Trust IV1	Correlati on	1.000	.292	.273	.267	.380
	Significa nce (2- tailed)	.	.000	.000	.000	.000
Satisfacti on IV2	Correlati on	.292	1.000	.278	.208	.442
	Significa nce (2- tailed)	.000	.	.000	.001	.000
Commit ment IV3	Correlati on	.273	.278	1.000	.223	.383
	Significa nce (2- tailed)	.000	.000	.	.000	.000
Communi cation IV4	Correlati on	.267	.208	.223	1.000	.275
	Significa nce (2- tailed)	.000	.001	.000	.	.000
Service Quality IV5	Correlati on	.380	.442	.383	.275	1.000
	Significa nce (2- tailed)	.000	.000	.000	.000	.

Source: Developed for the research

According to Table 4.14, all the independent variables are not highly correlated among one another which mean the result is significant and independent. The

constructs are not highly associated with each other as it has a p-value of less than 0.7 and correlation value less than 0.9. Thus, there is no independent variable that requires to be excluded in this research.

4.3.3 Multiple Regression Analysis

Table 4.15: Result of R Square

Model Summary^e

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.656 ^a	.431	.428	.41879
2	.710 ^b	.504	.500	.39166
3	.729 ^c	.532	.526	.38140
4	.735 ^d	.540	.532	.37876

a. Predictors: (Constant), trust_IV1

b. Predictors: (Constant), trust_IV1, satisfaction_IV2

c. Predictors: (Constant), trust_IV1, satisfaction_IV2, commitment_IV3

d. Predictors: (Constant), trust_IV1, satisfaction_IV2, commitment_IV3, service_qualilty_IV5

e. Dependent Variable: customer_loyalty_DV

Source: Developed for the research

Table 4.16: Result of Multiple Regression Analysis of Customer Loyalty towards Private Hospitals in Malaysia

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.410	.194		7.251	.000
	satisfaction_IV2	.645	.047	.656	13.694	.000
2	(Constant)	.657	.220		2.979	.003
	satisfaction_IV2	.399	.060	.406	6.665	.000
	service_quality_IV5	.424	.070	.369	6.045	.000
3	(Constant)	.582	.216		2.699	.007
	satisfaction_IV2	.346	.060	.352	5.768	.000
	service_quality_IV5	.314	.074	.274	4.248	.000
	commitment_IV3	.190	.050	.216	3.803	.000
4	(Constant)	.314	.249		1.261	.209
	satisfaction_IV2	.322	.061	.328	5.314	.000
	service_quality_IV5	.268	.077	.234	3.501	.001
	commitment_IV3	.172	.050	.196	3.427	.001
	trust_IV1	.151	.072	.117	2.108	.036

a. Dependent Variable: customer_loyalty_DV

Source: Developed for the research

Whereby, Constant = 0.314

R² = 0.540

F = 71.861

N = 250

The result of multiple regression analysis shows that 54% of the variance ($R^2 = 0.540$) in customer loyalty has been significantly explained by the independent variables (Trust, Satisfaction, Commitment and Service Quality). Based on the statistical result shown in Table 4.16, the β -value of unstandardized coefficient in the regression model indicates that when one unit increase in Trust, Satisfaction, Commitment and Service Quality would affect an increase of 0.151, 0.322, 0.172 and 0.268 units respectively in customer loyalty.

A change in satisfaction results in greatest impact on customer loyalty. The result of the regression analysis shows that the four variables (Trust, Satisfaction, Commitment and Service Quality) are respectively significant at 0.05 levels. Communication is excluded as it is insignificant with the alpha value of 0.077.

Therefore, the equation is formed as follow:

Customer Loyalty

$$= 0.314^{**} + 0.151T^{**} + 0.322S^{**} + 0.172CT^{**} + 0.268SQ^{**}$$

$$(t=2.108^{**}) \quad (t=5.314^{**}) \quad (t=3.427^{**}) \quad (t=3.501^{**})$$

Whereby, ** = significant at 0.05 level

T = Trust

S = Satisfaction

CT = Commitment

SQ = Service Quality

4.4 Conclusion

In a nutshell, this chapter comprises the data collection and analysis of the result had been carried out. The result from the analysis that had discussed in this chapter shows that satisfaction is the most significant independent variable which had the positive relationship with customer loyalty. Besides satisfaction, other variables such as trust, commitment and service quality also play important role in customer loyalty. Communication is found to be the excluded independent variable which has no significant relationship with customer loyalty.

CHAPTER 5: DISCUSSION, CONCLUSION AND IMPLICATIONS

5.0 Introduction

This chapter comprises summary of descriptive analysis, reliability analysis, pearson correlation analysis, multicollinearity and multiple regression analysis. Moreover, this chapter will discuss about the major findings of this research, implication of the study, limitation of the research and recommendation for future research. Last but not least, the entire research project will be evaluated as the conclusion of this study.

5.1 Summary of Statistical Analyses

5.1.1 Descriptive Analysis

Based on the survey, there are 250 respondents involved in this survey. The result shows that female respondents are more than male respondents whereby majority of the respondents are female 56 percent (140 respondents) and while male are 44 percent (110 respondents). On the other hand, the largest age group of respondents is in the range of 31 to 40 years old that constitutes 29.2 percent (73 respondents) in our survey. The second largest age group is at the age of 21 to 25 years old i.e. 27.6 percent (69 respondents) of the total respondents, followed by 41 to 50 years old, which are 22 percent (55 respondents) of the total respondents. In addition, 10.8 percent (27 respondents) of the total respondents is at the age of 51 and above while the lowest percentage of age group is at the age

of 20 or below that constitutes 10.4 percent (26 respondents) of the total respondents.

In this research, we discovered that the majority race in our questionnaires is the Chinese with 54.4 percent (136 respondents). The second highest is the Malay respondents with 26.4 percent (66 respondents), followed by Indians respondents with 18.8 percent (47 respondents) and for the smallest race group in our questionnaires is others 0.4 percent (1 respondent). On the other hand, we also found that most respondents are Diploma holders which are 38.8 percent (97 respondents), the second highest number are SPM/STPM students which are 30 percent (75 respondents), followed by Degree holder with 28.4 percent (71 respondents). The lowest frequency of qualification is postgraduates with 2.8 percent (7 respondents).

Most of the respondents i.e. 25.6 percent (64 respondents) hold managerial position, followed by those who own a business with 22.8 percent (57 respondents). In addition, the category of supervisor or executive made up of 18.8 percent (47 respondents), clerical encompasses 16.8 percent (42 respondents) and the retiree covers 8.8 percent (22 respondents). The lowest percentage of respondents' occupation category comes from the others with 7.2 percent (18 respondents).

Based on the summary of descriptive analysis, "I have confidence in the hospital services" scored the highest mean under the variable of trust with a value of 4.19. On the other hand, the statement of "I am willing to rely on the hospital services" is the attribute which has the lowest mean of 4.06.

Construct of satisfaction that stated "I am delighted with the services provided by the hospitals" has the highest mean with a value of 4.13. In opposition to the statement "The hospital services always meet my expectation" appears to be the statement that has the lowest mean with the value of 4.02.

Besides that, construct of commitment with the statement “I continue to deal with the hospital because I genuinely enjoy my relationship with it” has the highest mean of 3.97. In contrast, the statement of “I feel emotionally attached to the hospital” scored the lowest mean with 3.88.

The statement of “Doctor and nurses explain the medication process in detail” appears to be the attribute under communication that has the highest mean with 3.93. On the contrary, the statement “The hospitals provides information when there is a new service” appears to have the lowest mean with 3.75.

Apart from the above, “The hospital staff are caring” is the attribute of service quality which appears to have the highest mean with a value of 3.93. In contrast, “The hospital staff provide prompt services” is the attribute which has the lowest mean with a value of 3.75.

Last but not least, the statement of “I say positive things about the hospital to the other people” appears to be the attribute which score the highest mean under customer loyalty with a value of 4.17, whereas “I refuse to change to another hospital” has the lowest mean of 3.90.

5.1.2 Inferential Analysis

5.1.2.1 Pearson Correlation Analysis

Pearson correlation is used to measure the relationship between all the independent variables and dependent variable. According to Table 4.13 in Chapter 4, it shows that all the independent variables (trust, satisfaction, commitment, communication and service quality) appear to have a positive relationship with the dependent variable (customer loyalty).

Among all the independent variables, service quality has the strongest correlation with the customer loyalty with the correlation value, $r = 0.585$. On the other hand, communication has the weakest positive relationship with customer loyalty with the correlation value, $r = 0.442$. The rest of the independent variables are statistically significant with the dependent variable with the correlation value between 0.442 and 0.585.

5.1.2.2 Multicollinearity Analysis

Based on Table 4.14, it shows that all the independent variables are not highly correlated among one another as all the independent variables have the p-value less than 0.7 and correlation value that less than 0.9. It means that the result is significant and independent. Hence, there is no independent variable needed to be excluded from this research.

5.1.2.3 Multiple Regression Analysis

Table 4.15 in Chapter 4 shows the result of the test of the nature of the relationship.

The equation is formed as below:

$$CL = 0.314^{**} + 0.151T^{**} + 0.322S^{**} + 0.172CT^{**} + 0.268SQ^{**}$$

$$(t=2.108^{**}) \quad (t=5.314^{**}) \quad (t=3.427^{**}) \quad (t=3.501^{**})$$

Whereby, ** = significant at 0.05 level

T = Trust

S = Satisfaction

CT = Commitment

SQ = Service Quality

There is a significant relationship between trust, satisfaction, commitment and service quality with customer loyalty. Hence, the hypotheses of H1, H2, H3 and H5 are supported. Satisfaction is the most powerful variable that appears to have relationship with customer loyalty which has the highest value of regression coefficient. Therefore, it indicates that one unit increase in satisfaction will lead to an increase of 0.322 units in customer loyalty with other independent variables held constant. Service quality is ranked as second important independent variable as it has a regression coefficient of 0.314 and followed by commitment with regression coefficient of 0.268. Trust appears to have the lowest regression coefficient with only 0.151.

According to Table 4.15, the result of the test of strength of the relationship and the values obtained are as follows:

$$R = 0.735$$

$$R^2 = 0.54$$

$$\text{Adjusted } R^2 = 0.532$$

Based on the output generated in Table 4.15, the value of R^2 is 0.54 which means that a change in customer loyalty can be explained by 54% of the independent variables involved (Trust, Satisfaction, Commitment and Service Quality). Communication is found to have insignificant relationship with customer loyalty with the alpha value of 0.077.

5.2 Discussion of Major Findings

5.2.1 Summary of Hypotheses Testing

Table 5.1: Summary of the Result for Hypotheses Testing

Hypotheses	Unstandardized Coefficient Beta	t- value	Significant Level	Result
H1: Trust has a positive relationship with customer loyalty	0.151	2.108	0.036	Supported
H2: Satisfaction has a positive relationship with customer loyalty	0.322	5.314	0.000	Supported
H3: Commitment has a positive relationship with customer loyalty	0.172	3.427	0.001	Supported
H4: Communication has a positive relationship with customer loyalty	-	-	-	Not Tested
H5: Service quality has a positive relationship with customer loyalty	0.268	3.501	0.001	Supported

Source: Developed for the research

H1: Trust has a positive relationship with customer loyalty

According to Table 5.1, there is a significant relationship between trust and customer loyalty as it has the p-value which is less than 0.05. Hence, H1 is supported in which trust has a positive relationship with customer loyalty. This result is consistent with findings of past studies (Roberts et al., 2003; Caceres & Paparoidamis, 2007; Rauyruen & Miller, 2007; Alrubaiee & Al-Nazer, 2010; Walsh et al., 2010; Liu et al., 2011).

H2: Satisfaction has a positive relationship with customer loyalty

Result of the hypotheses testing shows that the relationship existing between satisfaction and customer loyalty is significant since it has the p-value that less than 0.05. Therefore, H2 is accepted in this research and this result is in accordance with past literatures done by researchers which had proven that satisfaction has a positive relationship with customer loyalty (Butcher et al., 2001; Rauyruen & Miller, 2007; Walsh et al., 2010; Liu et al., 2011).

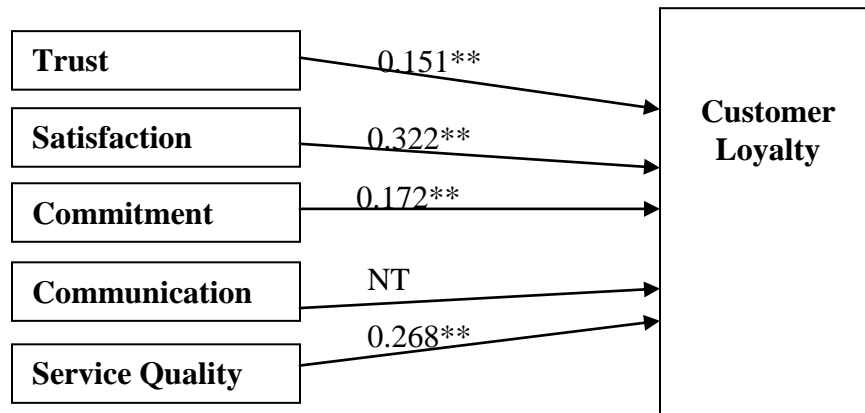
H3: Commitment has a positive relationship with customer loyalty

Based on the result shown in Table 5.1, there is a significant relationship between commitment and customer loyalty. The p-value for commitment is 0.001 which is less than 0.05 shows that the proposed hypothesis is supported. This finding provides support to the result of past researches (Morgan & Hunt, 1994; Rauyruen & Miller, 2007; Walsh et al., 2010).

H5: Service quality has a positive relationship with customer loyalty

There is a direct relationship between service quality and customer loyalty which can be proven by the correlation and multiple regression analysis. The result shows that service quality has the p-value of 0.001 which is less than 0.05. Hence, proposed hypothesis i.e. H5 is supported and consistent with the result of past studies (Ruyter & Wetzell, 1998; Zeithaml et al., 1996; Lei & Mac 2005).

Figure 5.1: The Relationship between Relationship Quality and Customer Loyalty



Note ** = significant at 0.05 level

NT= Not Tested

Source: Developed for the research

5.2.2 Major Findings

This research provides the evidence that relationship quality has relationship with customer loyalty. Based on the result of multiple regression analysis, trust, satisfaction, commitment and service quality are the four variables that found to have relationship with customer loyalty at 0.05 significant levels. Communication is the only variable which is excluded in multiple regression analysis and demonstrates the result of insignificant with the alpha value of 0.077.

There are two main reasons behind communication to be evidenced as insignificant towards its relationship with customer loyalty. First, some researchers include communication as one of the variables under service quality (Parasuraman, Zeithmal & Berry, 1985). Thus, there could be some duplication in the interpretation of meanings for communication by respondents. Secondly, different geographical areas between current research and past literatures may be

one of the reasons that cause communication to be insignificant in the final result. Most of the journals that we referred to were tested in Western countries such as studies done in United States of America (Meng & Elliott, 2008) and so private hospitals in Malaysia may not have given priority on perspective of communication to maintain their loyal customers.

The relative importance of variables to have significant relationship towards customer loyalty can be ranked based on Table 5.1. Satisfaction is proven to be the most significant variable that has a relationship with customer loyalty with β -value of 0.322, following by service quality ($\beta = 0.268$), commitment ($\beta = 0.172$) and trust ($\beta = 0.151$) in descending order. Hence, we can conclude that most of the Malaysians visited private hospitals that can provide them with overall satisfaction of services.

5.3 Implications of the Study

5.3.1 Managerial Implications

This research provides several refine suggestions to the top management in private hospitals to improve its current state of customer loyalty through relationship quality. Based on the data collected via distribution of questionnaires and analyzed using SPSS, proposal is made regarding which dimensions in relationship quality should the management focused in improving customer loyalty.

According to the results obtained, “satisfaction” appears to be the dimension in relationship quality that has strongest positive influence on customer loyalty with the unstandardized coefficient value, $\beta = 0.322$. A unit increase in “satisfaction”

would increase customer loyalty by 0.322 units. Thus, the management in private hospitals should direct more of its effort and resources in creating customer satisfaction in order to increase customer loyalty toward the hospitals.

The management team should ensure their staff such as nurses and doctors provide the right treatment to the customer that meet the expectation of each individual customer. In addition to provide expected set of services that meet customer requirement, customer loyalty can be enhanced by offering extra services which are beyond customer expectations. Taking care of the patient's family such as providing comfortable waiting areas for family members are an example of value added service that can turn customer to be delighted. Customers tend to be more loyal towards the hospital that could make them feel happy or even delighted.

Besides that, the management team must also concentrate on the issue about service quality which indicates a strong positive relationship with customer loyalty with unstandardized coefficient value, $\beta = 0.268$. The top management of the hospital could conduct ongoing training to its staff especially the medical staff to safeguard the consistency and quality of services provided. Moreover, continuous inspections and evaluation on the quality level of services provided should be carried out by asking customer to fill up the evaluation form each time after they experience the services. The evaluation form is an important instrument to maintain as well as improve the quality and consistency in services provided regardless of who is the provider.

From the research conducted, service quality of a hospital can be improve by deliver services as promised, recruit staff who is knowledgeable and caring as well as increase the ability to provide prompt service to customer when they are in need. The hospital capabilities to provide good quality of service to its customer will in turn enable them to increase its ability to create and retain loyal customers.

Apart from that, commitment inherited in customers towards the hospital displays a relatively weaker positive relationship on customer loyalty as compared to satisfaction and service quality. Customer commitment influence customer loyalty positively in a smaller scale than the other two dimensions (satisfaction and service quality) with unstandardized coefficient value, $\beta = 0.172$. The statistical result shows that although a unit increases in “commitment” would only increase customer loyalty by 0.172 units but it does help in boosting customer loyalty towards the hospital.

Based on the questionnaires collected and analyzed, the management team in private hospitals should also work towards building and maintaining the level of commitment each customer have on the hospital. Loyal customers are typical customers who are committed in maintaining enduring relationship with the hospital. In other words, higher level of commitment means higher level of loyalty. A committed customer will defend the hospital when others criticized it and they are willing to continue to seek for treatment services the hospital when they are sick. The creation of committed customer is essential because they will stick with the hospital and they act as a credible ambassador to the hospital.

In addition, based on the research conducted, the dimension “Trust” has been found to have weakest positive relationship with customer loyalty with unstandardized coefficient value, $\beta = 0.151$. The beta value implied a unit increases in “Trust” would only increase customer loyalty by 0.151 units. Although this dimension seem to have a negligible importance in contributing to customer loyalty towards the hospital but the management should not neglect the fact that customer loyalty could only be enhance by having a combination of determinants including “Trust”.

As a result of this, all the staff from different department including both medical and non-medical staff must be able to convey their integrity by providing services that is in line with their saying. It is important for the management team

to communicate the value of integrity and honesty towards the success of hospital in term of retaining the customer. These two vital values should be incorporated in the hospital philosophy so that everyone in the hospital would be honest to their customer who is patient. The medical staff must be honest in giving information about the services and explain all the relevant details regarding the treatment such as risk and charges. In other words, the members in the hospital must be transparent to the customer to keep them loyal to the hospital by making the customer to trust them.

5.3.2 Theoretical Implications

Theoretically, this study proves the service quality as one of the dimensions of relationship quality which had significant relationship towards customer loyalty. Generally, most of the studies measure the three main dimensions of relationship quality including trust, satisfaction, commitment (Roberts et al., 2003; Caceres & Paparoidamis, 2007; Qin, Zhao & Yi, 2009; Alrubaiee & Al-Nazer, 2010; Chung & Shin, 2010; Walsh, Hennig-Thurau, Sassenberg & Bornemann, 2010). This study further examines the use of service quality as dimension of relationship quality as there are only few studies had tested it before (Rauyrueen & Miller, 2007; Hennig-Thurau & Klee, 1997). Based on the findings, it is proven that service quality act as one of the variable under relationship quality. Moreover, service quality is evidenced to have direct relationship with customer loyalty in this research which is consistent with the result of past researches conducted (Ruyter & Wetzels, 1998; Zeithaml et al., 1996; Lei & Mac 2005).

5.4 Limitations of the Study

There are several limitations in this research. The first limitation of our research is limited to private hospital industry in Malaysia. This limitation hamper the generalizability of the result obtained from this research. The result could not be used to generalize the whole service industry and could not generalize hospital industry in Western countries. The result could not be generalized to Western countries as there are cultural differences between Asia and Western. Nonetheless, the result obtained from this research is able to relate to those services that share common characteristics with this industry. Besides that, findings of this research can be applicable to some Asia countries as Asian possess similar characteristics of people with Malaysian.

The second limitation is that this research only focuses on private hospitals in Malaysia. So, this research might be unable to used to represent the whole health care industry in Malaysia as it is excluded the test on public hospitals.

The third limitation of this research is regarding the measurement of relationship quality. Relationship quality consists of many dimensions which represent the overall strength of the relationship and in this research we only focus mainly on five dimensions only which include trust, satisfaction, commitment, communication and service quality.

5.5 Recommendations for Future Research

Some recommendations are drawn out for future research. First, future study will be conducted in a different service setting with the same research objectives such as in telecommunication industry.

Secondly, future research will be conducted in a broader context by including study on both public and private hospitals in Malaysia. Besides that, comparison will be made to investigate whether there is any difference between the result obtained from private hospitals and public hospitals.

Third, additional independent variables will be added into the research framework to test other relevant variables that constitute a direct relationship with customer loyalty which is beneficial for hospital management to enhance the relationship quality with its customers.

As compared with the results of past literatures, communication is evidenced to constitute an insignificant relationship with customer loyalty in this research. This result is inconsistent with some past studies which tested in different context such as in banking industry and different geographical area (Meng & Elliott, 2008; Alrubaiee & Al-Nazer, 2010). Even though the result is inconsistent, it is interesting to discover that communication is not recognized as the important variable in developing relationship quality towards customer loyalty in the context of hospital industry and has to be examined in different context such as telecommunication industry for future studies.

Lastly, qualitative methods such as focus group and personal interview will be used in future research to gain further insights about the association between relationship quality and customer loyalty. In-depth exploration process will be involved in qualitative method and so there could be some new findings drawn out from future research.

5.6 Conclusion

In this research, four independent variables which include trust, satisfaction, commitment and service quality are proven to have significant positive relationship with customer loyalty towards private hospitals in Malaysia. Communication is the only variable which has found to be insignificant towards its relationship with customer loyalty. Both descriptive analysis and inferential analysis are summarized and discussed in this chapter. Besides that, managerial implication and limitations of the study are discussed and clearly stated. Recommendations on the ways to enhancing relationship quality to increase customer loyalty are also provided. Last but not least, recommendations have been provided to improve the current findings and additional independent variables are recommended to be examined in future research.

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APPENDICES

Appendix 1: Survey Questionnaire



UNIVERSITY TUNKU ABDUL RAHMAN (UTAR) FACULTY OF BUSINESS AND FINANCE

A Survey on Relationship Quality and Customer Loyalty towards Private Hospitals in Malaysia

Dear Sir/Madam,

We are final year undergraduate students pursuing a degree course in Bachelor of Marketing (Hons) at Universiti Tunku Abdul Rahman (UTAR). The purpose of this survey is to find out your perception of private hospitals in Malaysia. This survey is conducted as part of the requirement to complete our final year research project.

We appreciate your cooperation and precious time spent on filling our questionnaires. Your effort helps us to achieve a better analysis for our research project. Thank you for participating in this survey.

Members Present:

Chiew Chai Hui	10ABB00286
Lau Siow Lee	09ABB00857
Lee Chooi Yin	09ABB01593
Wong Chung Hooi	09ABB05989
Wong Nian Teik	08ABB06743

**Relationship Quality and Customer Loyalty towards Private Hospitals in
Malaysia
Survey Questionnaire**

The purpose of this survey is to determine the association between relationship quality and customer loyalty towards private hospitals in Malaysia. Please answer all questions to the best of your knowledge. There are no wrong responses to any of these statements. **All responses and information are completely confidential.** There are three (3) sections in this questionnaire. Please answer all questions in all sections. Completion of this survey will take you approximately 10 to 20 minutes.

Thank you for your participation.

Section A: Demographic Profile

Please place a tick for each of the following. Your information will be kept confidential.

Q1) Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female
Q2) Age	<input type="checkbox"/> ≤ 20 years old	<input type="checkbox"/> 21-30 years old
	<input type="checkbox"/> 31-40years old	<input type="checkbox"/> 41-50 years old
	<input type="checkbox"/> ≥51 years old	
Q3) Race	<input type="checkbox"/> Malay	<input type="checkbox"/> Chinese
	<input type="checkbox"/> Indian	<input type="checkbox"/> Others
Q4) Highest qualification attained/currently pursuing	<input type="checkbox"/> SPM/STPM	<input type="checkbox"/> Diploma
	<input type="checkbox"/> Degree	<input type="checkbox"/> Postgraduate (Masters/PhD)
Q5) Current occupation	<input type="checkbox"/> Clerical	<input type="checkbox"/> Supervisor/Executive
	<input type="checkbox"/> Managerial	<input type="checkbox"/> Own Business
	<input type="checkbox"/> Retired	<input type="checkbox"/> Others (please specify):
Q6) Which private hospital have you visited lately:	_____	

Section B: Dimensions of Relationship Quality

The number of private hospitals in Malaysia is growing. This phenomenon enables the patients to switch to other hospital if they are not satisfied with services provided by the current hospital they have visited.

Therefore, this section is seeking your opinion regarding the dimensions of relationship quality that is related to customer loyalty towards hospital you have visited.

Please indicate the extent to which you agree or disagree with each statement using the following scale:

(1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree; (5) = strongly agree

Please circle one number per line for the following statements.

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV 1 Trust (T)						
T1	I am willing to rely on the hospital services.	1	2	3	4	5
T2	I have confidence in the hospital services.	1	2	3	4	5
T3	I believe the hospital staff are concern for my well being.	1	2	3	4	5
T4	The hospital staff are honest.	1	2	3	4	5
T5	The hospital staff have high integrity.	1	2	3	4	5
IV 2 Satisfaction (S)						
S1	The hospital services always meet my expectations.	1	2	3	4	5
S2	I am delighted with the services provided by the hospital.	1	2	3	4	5
S3	I am happy with the services provided by the hospital.	1	2	3	4	5
S4	I am satisfied with the overall performance of services provided by the hospital.	1	2	3	4	5

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
IV 3 Commitment (CT)						
CT1	I feel emotionally attached to the hospital.	1	2	3	4	5
CT2	I continue to deal with the hospital because I genuinely enjoy my relationship with it.	1	2	3	4	5
CT3	I defend the hospital when other people criticised it.	1	2	3	4	5
CT4	It is important for me to maintain relationship with the hospital.	1	2	3	4	5
IV 4 Communication (CN)						
CN1	The hospital provides timely information to me.	1	2	3	4	5
CN2	The hospital provides information when there is a new service.	1	2	3	4	5
CN3	The hospital always provides accurate information.	1	2	3	4	5
CN4	The hospital always provides credible information.	1	2	3	4	5
CN5	Doctors and nurses explain the medication process in detail.	1	2	3	4	5
IV 5 Service Quality (SQ)						
SQ1	The hospital provided services as promised.	1	2	3	4	5
SQ2	The hospital staff provide prompt service.	1	2	3	4	5
SQ3	Facilities in the hospital are pleasant and appealing.	1	2	3	4	5
SQ4	Doctors and nurses are knowledgeable.	1	2	3	4	5
SQ5	The hospital staff are caring.	1	2	3	4	5

Section C: Customer Loyalty

Customer loyalty is the customer’s intention to make repeat purchase in the future based on the experience that the customer currently have.

Therefore, this section is seeking your opinion regarding whether you have the intention to remain loyal to the hospital you visited.

Please indicate the extent to which you agree or disagree with each statement using the following scale:

(1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree; (5) = strongly agree

Please circle one number per line for the following statements.

No	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
DV Customer Loyalty (CL)						
CL1	I would recommend the hospital to my friends.	1	2	3	4	5
CL2	I say positive things about the hospital to other people.	1	2	3	4	5
CL3	I would continue to seek medical services from the hospital.	1	2	3	4	5
CL4	I refuse to change to another hospital.	1	2	3	4	5

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS SURVEY

**Appendix 4.1: Central Tendencies Measurements of Constructs
(Trust)**

Statistics

	T- willing to rely	T- confidence	T- concern for well being	T- honest	T- integrity
N Valid	250	250	250	250	250
Missing	0	0	0	0	0
Mean	4.06	4.19	4.15	4.16	4.09
Std. Deviation	.507	.546	.568	.611	.665
Variance	.257	.298	.322	.373	.442

T - willing to rely

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	1	.4	.4	.4
Neutral	22	8.8	8.8	9.2
Agree	188	75.2	75.2	84.4
Strongly Agree	39	15.6	15.6	100.0
Total	250	100.0	100.0	

T- confidence

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	1	.4	.4	.4
Neutral	15	6.0	6.0	6.4
Agree	170	68.0	68.0	74.4
Strongly Agree	64	25.6	25.6	100.0
Total	250	100.0	100.0	

T- concern for well being

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	2	.8	.8	.8
Neutral	18	7.2	7.2	8.0
Agree	170	68.0	68.0	76.0
Strongly Agree	60	24.0	24.0	100.0
Total	250	100.0	100.0	

T- honest

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	3	1.2	1.2	1.2
Neutral	21	8.4	8.4	9.6
Agree	160	64.0	64.0	73.6
Strongly Agree	66	26.4	26.4	100.0
Total	250	100.0	100.0	

T- integrity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	2	.8	.8	.8
Neutral	39	15.6	15.6	16.4
Agree	144	57.6	57.6	74.0
Strongly Agree	65	26.0	26.0	100.0
Total	250	100.0	100.0	

**Appendix 4.2: Central Tendencies Measurements of Constructs
(Satisfaction)**

Statistics

		S- meet expectations	S-delighted	S- happy	S- satisfied with overall performance
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		4.02	4.13	4.11	4.10
Std. Deviation		.688	.676	.640	.642
Variance		.473	.457	.410	.412

S- meet expectations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Disagree	7	2.8	2.8	3.2
	Neutral	29	11.6	11.6	14.8
	Agree	161	64.4	64.4	79.2
	Strongly Agree	52	20.8	20.8	100.0
	Total	250	100.0	100.0	

S- delighted

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	4	1.6	1.6	2.0
Neutral	25	10.0	10.0	12.0
Agree	152	60.8	60.8	72.8
Strongly Agree	68	27.2	27.2	100.0
Total	250	100.0	100.0	

S- happy

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	3	1.2	1.2	1.6
Neutral	24	9.6	9.6	11.2
Agree	162	64.8	64.8	76.0
Strongly Agree	60	24.0	24.0	100.0
Total	250	100.0	100.0	

S- satisfied with overall performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	5	2.0	2.0	2.4
Neutral	19	7.6	7.6	10.0
Agree	168	67.2	67.2	77.2
Strongly Agree	57	22.8	22.8	100.0
Total	250	100.0	100.0	

**Appendix 4.3: Central Tendencies Measurements of Constructs
(Commitment)**

Statistics

		CT- emotionally attached	CT- continue to deal with	CT- defend	CT- maintain relationship
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		3.88	3.97	3.93	3.93
Std. Deviation		.858	.747	.793	.757
Variance		.736	.557	.629	.573

CT- emotionally attached

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	2.0	2.0	2.0
	Disagree	15	6.0	6.0	8.0
	Neutral	34	13.6	13.6	21.6
	Agree	148	59.2	59.2	80.8
	Strongly Agree	48	19.2	19.2	100.0
Total		250	100.0	100.0	

CT- continue to deal with

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Disagree	7	2.8	2.8	3.2
	Neutral	46	18.4	18.4	21.6
	Agree	140	56.0	56.0	77.6
	Strongly Agree	56	22.4	22.4	100.0
	Total	250	100.0	100.0	

CT- defend

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.8	.8	.8
	Disagree	11	4.4	4.4	5.2
	Neutral	43	17.2	17.2	22.4
	Agree	141	56.4	56.4	78.8
	Strongly Agree	53	21.2	21.2	100.0
	Total	250	100.0	100.0	

CT- maintain relationship

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	1.6	1.6	1.6
	Disagree	8	3.2	3.2	4.8
	Neutral	33	13.2	13.2	18.0
	Agree	162	64.8	64.8	82.8
	Strongly Agree	43	17.2	17.2	100.0
	Total	250	100.0	100.0	

**Appendix 4.4: Central Tendencies Measurements of Constructs
(Communication)**

Statistics

		CN- timely information	CN- inform new service	CN- accurate information	CN- credible information	CN- detailed explanation
N	Valid	250	250	250	250	250
	Missing	0	0	0	0	0
	Mean	3.78	3.75	3.86	3.84	3.93
	Std. Deviation	1.038	1.084	.954	.945	.944
	Variance	1.078	1.175	.911	.893	.891

CN- timely information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	15	6.0	6.0	6.0
	Disagree	16	6.4	6.4	12.4
	Neutral	29	11.6	11.6	24.0
	Agree	138	55.2	55.2	79.2
	Strongly Agree	52	20.8	20.8	100.0
	Total	250	100.0	100.0	

CN- inform new service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	14	5.6	5.6	5.6
	Disagree	24	9.6	9.6	15.2
	Neutral	29	11.6	11.6	26.8
	Agree	126	50.4	50.4	77.2
	Strongly Agree	57	22.8	22.8	100.0
	Total	250	100.0	100.0	

CN- accurate information

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	7	2.8	2.8	2.8
Disagree	20	8.0	8.0	10.8
Neutral	32	12.8	12.8	23.6
Agree	134	53.6	53.6	77.2
Strongly Agree	57	22.8	22.8	100.0
Total	250	100.0	100.0	

CN- credible information

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	4	1.6	1.6	1.6
Disagree	26	10.4	10.4	12.0
Neutral	33	13.2	13.2	25.2
Agree	131	52.4	52.4	77.6
Strongly Agree	56	22.4	22.4	100.0
Total	250	100.0	100.0	

CN- detailed explanation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	10	4.0	4.0	4.0
Disagree	15	6.0	6.0	10.0
Neutral	15	6.0	6.0	16.0
Agree	152	60.8	60.8	76.8
Strongly Agree	58	23.2	23.2	100.0
Total	250	100.0	100.0	

**Appendix 4.5: Central Tendencies Measurements of Constructs
(Service Quality)**

Statistics

		SQ- provide promised service	SQ- prompt service	SQ- pleasant and appealing facilities	SQ- knowledgeab le	SQ- caring
N	Valid	250	250	250	250	250
	Missing	0	0	0	0	0
Mean		4.11	4.12	4.14	4.24	4.13
Std. Deviation		.647	.670	.630	.628	.648
Variance		.418	.448	.397	.394	.420

SQ- provide promised service

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Disagree	5	2.0	2.0	2.4
	Neutral	19	7.6	7.6	10.0
	Agree	166	66.4	66.4	76.4
	Strongly Agree	59	23.6	23.6	100.0
	Total	250	100.0	100.0	

SQ- prompt service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	4	1.6	1.6	2.0
Neutral	25	10.0	10.0	12.0
Agree	155	62.0	62.0	74.0
Strongly Agree	65	26.0	26.0	100.0
Total	250	100.0	100.0	

SQ- pleasant and appealing facilities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	3	1.2	1.2	1.6
Neutral	19	7.6	7.6	9.2
Agree	163	65.2	65.2	74.4
Strongly Agree	64	25.6	25.6	100.0
Total	250	100.0	100.0	

SQ- knowledgeable

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	.4	.4	.4
Disagree	1	.4	.4	.8
Neutral	17	6.8	6.8	7.6
Agree	148	59.2	59.2	66.8
Strongly Agree	83	33.2	33.2	100.0
Total	250	100.0	100.0	

**Appendix 4.6: Central Tendencies Measurements of Constructs
(Customer Loyalty)**

Statistics

		CL- recommend to friends	CL- say positive things	CL-continue to seek services	CL- refuse to change
N	Valid	250	250	250	250
	Missing	0	0	0	0
Mean		4.04	4.17	4.09	3.90
Std. Deviation		.630	.673	.601	.815
Variance		.396	.454	.362	.664

CL- recommend to friends

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Disagree	5	2.0	2.0	2.4
	Neutral	24	9.6	9.6	12.0
	Agree	174	69.6	69.6	81.6
	Strongly Agree	46	18.4	18.4	100.0
	Total	250	100.0	100.0	

CL- say positive things

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	.8	.8	.8
	Disagree	2	.8	.8	1.6
	Neutral	21	8.4	8.4	10.0
	Agree	152	60.8	60.8	70.8
	Strongly Agree	73	29.2	29.2	100.0
	Total	250	100.0	100.0	

CL- continue to seek services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	.4	.4	.4
	Disagree	5	2.0	2.0	2.4
	Neutral	14	5.6	5.6	8.0
	Agree	181	72.4	72.4	80.4
	Strongly Agree	49	19.6	19.6	100.0
	Total	250	100.0	100.0	

CL- refuse to change

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	1.2	1.2	1.2
	Disagree	15	6.0	6.0	7.2
	Neutral	34	13.6	13.6	20.8
	Agree	151	60.4	60.4	81.2
	Strongly Agree	47	18.8	18.8	100.0
	Total	250	100.0	100.0	

Appendix 4.7: SPSS Output (Reliability Test)

Trust

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.790	5

Satisfaction

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.874	4

Commitment

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.808	4

Communication

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.929	5

Service Quality

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.803	5

Customer Loyalty

Case Processing Summary

		N	%
Cases	Valid	250	100.0
	Excluded ^a	0	.0
	Total	250	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.824	4

Appendix 4.8: Pearson Correlation Analysis

Descriptive Statistics

	Mean	Std. Deviation	N
trust_IV1	4.1288	.42894	250
satisfaction_IV2	4.0900	.56362	250
commitment_IV3	3.9260	.62897	250
communication_IV4	3.8304	.87996	250
service_qualilty_IV5	4.1488	.48190	250
customer_loyalty_DV	4.0470	.55387	250

Correlations

		trust_IV1	satisfaction_IV2	commitment_IV3	communication_IV4	service_quality_IV5	customer_loyalty_DV
trust_IV1	Pearson Correlation	1	.532**	.492**	.442**	.585**	.525**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	250	250	250	250	250	250
satisfaction_IV2	Pearson Correlation	.532**	1	.550**	.439**	.678**	.656**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	250	250	250	250	250	250
commitment_IV3	Pearson Correlation	.492**	.550**	1	.425**	.611**	.576**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	250	250	250	250	250	250

communication_IV4	Pearson Correlation	.442**	.439**	.425**	1	.480**	.455**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	250	250	250	250	250	250
service_quality_IV5	Pearson Correlation	.585**	.678**	.611**	.480**	1	.644**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	250	250	250	250	250	250
customer_loyalty_DV	Pearson Correlation	.525**	.656**	.576**	.455**	.644**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	250	250	250	250	250	250

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

Appendix 4.9: Partial Correlation Analysis

Correlations

Control Variables			trust_IV1	satisfaction_IV2	commitment_IV3	communication_IV4	service_quality_IV5
customer_loyalty_DV	trust_IV1	Correlation	1.000	.292	.273	.267	.380
		Significance (2-tailed)	.	.000	.000	.000	.000
		df	0	247	247	247	247
satisfaction_IV2	satisfaction_IV2	Correlation	.292	1.000	.278	.208	.442
		Significance (2-tailed)	.000	.	.000	.001	.000
		df	247	0	247	247	247
commitment_IV3	commitment_IV3	Correlation	.273	.278	1.000	.223	.383
		Significance (2-tailed)	.000	.000	.	.000	.000
		df	247	247	0	247	247
communication_IV4	communication_IV4	Correlation	.267	.208	.223	1.000	.275
		Significance (2-tailed)	.000	.001	.000	.	.000
		df	247	247	247	0	247
service_quality_IV5	service_quality_IV5	Correlation	.380	.442	.383	.275	1.000
		Significance (2-tailed)	.000	.000	.000	.000	.
		df	247	247	247	247	0

Appendix 4.10: Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.656 ^a	.431	.428	.41879
2	.710 ^b	.504	.500	.39166
3	.729 ^c	.532	.526	.38140
4	.735 ^d	.540	.532	.37876

a. Predictors: (Constant), satisfaction_IV2

b. Predictors: (Constant), satisfaction_IV2, service_qualilty_IV5

c. Predictors: (Constant), satisfaction_IV2, service_qualilty_IV5, commitment_IV3

d. Predictors: (Constant), satisfaction_IV2, service_qualilty_IV5, commitment_IV3, trust_IV1

e. Dependent Variable: customer_loyalty_DV

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.889	1	32.889	187.520	.000 ^a
	Residual	43.496	248	.175		
	Total	76.385	249			
2	Regression	38.495	2	19.248	125.473	.000 ^b
	Residual	37.890	247	.153		
	Total	76.385	249			
3	Regression	40.600	3	13.533	93.032	.000 ^c
	Residual	35.785	246	.145		
	Total	76.385	249			
4	Regression	41.237	4	10.309	71.861	.000 ^d
	Residual	35.148	245	.143		
	Total	76.385	249			

a. Predictors: (Constant), satisfaction_IV2

b. Predictors: (Constant), satisfaction_IV2, service_qualilty_IV5

c. Predictors: (Constant), satisfaction_IV2, service_qualilty_IV5, commitment_IV3

d. Predictors: (Constant), satisfaction_IV2, service_qualilty_IV5, commitment_IV3, trust_IV1

e. Dependent Variable: customer_loyalty_DV

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.410	.194		7.251	.000
	satisfaction_IV2	.645	.047	.656	13.694	.000
2	(Constant)	.657	.220		2.979	.003
	satisfaction_IV2	.399	.060	.406	6.665	.000
	service_qualilty_IV5	.424	.070	.369	6.045	.000
3	(Constant)	.582	.216		2.699	.007
	satisfaction_IV2	.346	.060	.352	5.768	.000
	service_qualilty_IV5	.314	.074	.274	4.248	.000
4	commitment_IV3	.190	.050	.216	3.803	.000
	(Constant)	.314	.249		1.261	.209
	satisfaction_IV2	.322	.061	.328	5.314	.000
	service_qualilty_IV5	.268	.077	.234	3.501	.001
	commitment_IV3	.172	.050	.196	3.427	.001
	trust_IV1	.151	.072	.117	2.108	.036

a. Dependent Variable: customer_loyalty_DV

Excluded Variables

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
					Tolerance	
1	trust_IV1	.245 ^a	4.497	.000	.275	.717
	commitment_IV3	.309 ^a	5.719	.000	.342	.698
	communication_IV4	.207 ^a	4.003	.000	.247	.808
	service_qualilty_IV5	.369 ^a	6.045	.000	.359	.540
2	trust_IV1	.149 ^b	2.657	.008	.167	.624
	commitment_IV3	.216 ^b	3.803	.000	.236	.593
	communication_IV4	.134 ^b	2.614	.009	.164	.746
3	trust_IV1	.117 ^c	2.108	.036	.133	.607
	communication_IV4	.107 ^c	2.105	.036	.133	.728
4	communication_IV4	.091 ^d	1.775	.077	.113	.706

a. Predictors in the Model: (Constant), satisfaction_IV2

b. Predictors in the Model: (Constant), satisfaction_IV2, service_qualilty_IV5

c. Predictors in the Model: (Constant), satisfaction_IV2, service_qualilty_IV5, commitment_IV3

d. Predictors in the Model: (Constant), satisfaction_IV2, service_qualilty_IV5, commitment_IV3, trust_IV1

e. Dependent Variable:customer_loyalty_DV