The Impact of Communication on Customer's Loyalty:
An Empirical Investigation at Abha Private Hospitals (KSA)

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ABSTRACT:
This study aims to investigate the effect of communication on patients’ loyalty in Saudi Arabia private hospital located in Abha city. The researcher has used the descriptive analytical method. The participants of this study include (398) patients in private hospitals in Abha city. Linear regression analysis was carried out to analyze the data and results revealed that the independent variable (Communication) has a positive influence on (patients’ loyalty). Accordingly, the study most important recommendations call for hospitals management to strengthen their links with patients and give more attention for their patients complain.

Keywords: Customer’s Loyalty, Communication & Abha Private Hospitals.

Introduction:
Relationship marketing is a new-old concept within marketing (Berry, 1995). It appeared for the first time in literature related to marketing services in the early 1980’s (Berry, 1983; Berry, 1986). Gronroos (1990) states that the purpose of relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met” and this is done by a mutual exchange and a fulfillment of promises” which is needed by service sectors. Relationship marketing therefore enables the firm to be closer to its customers in order to correctly sense and serve their expectations in a manner that superior to competition.

Nowadays, healthcare is one of the largest economic sectors in the world. Due to open-door policies in the medical services market and as competition among health institutions are becoming increasingly elevated, this sector is facing growing challenges. For more than 50 years, Saudi Arabia had experienced a rapid and a sustained economic and social growth. According to word bank data, the GNI (Gross National Income) per capital amounted to 25,140 dollars in 2014. Life expectancy is estimated at 74.2 and Saudi Arabia is a huge market with more than 30 million inhabitants. In this country, more and more people (Saudi and foreigners) are looking for high-
quality health services. They are demanding genuine and personalized medical cares from institutions and personnel as well. Despite the quantitative and qualitative increase of requirements from customers with regard to health sector services, questions have to be raised on the capability of medical institutions to fulfill such requirements. Are Saudi Arabian hospitals paying enough attention to marketing issues when providing services to patients? Are they considering customer loyalty as a criterion to consider and assess these services? To what extent relationship marketing (Communication variable) as part of marketing science could be considered an efficient approach to face patient ever-changing needs and requests?

With respect to health care sector, the customer is the patient. Health care providers should prevent patient expectations and provide services that fill gaps between these expectations and customer actual experiences (baker, 1998). Patients are always asking for medical cares to recover from illnesses. The extent they appreciate these cares or services will affect their satisfaction and loyalty towards hospitals (Baird, 2013). Therefore, firms intended to match customer loyalty must pay close attention to various aspect of relationship marketing via trust, commitment, communication and conflict handling. We aim at testing the influence of the Communications on customer loyalty in the context of the Saudi Arabia health care sector. To our knowledge, no study has previously addressing such issues regarding the health care sector in Saudi Arabia. On the practical ground, this study will shed light on patient loyalty in Saudi Arabia private hospitals. It will contribute to a better understanding of how relationship marketing (Communication) satisfy role of establishing beneficial long-term relations with patients. The purpose of this study focus on investigating of Communication variable influencing patients loyalty in Abha private sector, examining the level of relationship marketing practices between (communication) and patient loyalty within the environment of Private Sector Hospitals. The study is guided by the following questions:

1) Is there any significant relationship between the level of relationship marketing adopted variable (Communication) and Customer loyalty?
2) Is there any significant relationship between selected (Communication) variables of relationship marketing adopted in hospitals and Customer loyalty?
3) Can the adoption of relationship marketing (Communication) in hospitals Service Operations be used to increase Customer loyalty?
4) Do the relationship marketing (Communication) practices in hospitals Service in Saudi Arabia hospitals influence its Customer loyalty?
5) Is the relationship marketing (Communication) in Abha hospitals satisfying patient loyalty?
6) To what extent relationship marketing contribute in enhancing relationships between health care institutions and their customer loyalty?

The rationale for raising these questions is that the main objective of any organization in the business environment is to be able to attract, retain and maintain its customers so that the hospital can enjoy customer loyalty, hence the need for relationship marketing as a strategy in their customer service operation. This paper is structured as follows: firstly, a literature review outlines previous contributions on the underpinnings of relationship marketing and its links to customers’ attitudes and specially the loyalty to brand. Secondly, the empirical part focused on the data analysis and results. Thirdly and finally, we conclude with the discussion of the results, managerial implications and study limitations.
Literature Review:
Relationship marketing constructs have been conceptualized in many ways. Scholars have listed key virtues that have been theorized in the relationship marketing literature, for example, Trust (Dwyer et al., 1987; Morgan and Hunt, 1994; Sividas and Dwyer, 2000) Commitment (Anderson and Weitz, 1992; Day, 1995; Geyskens et al., 1999) Cooperation (Anderson and Narus, 1990; Morgan and Hunt, 1994) Keeping promises (Gronroos, 1990, 1994) Shared values (Brashear et al., 2003; Morgan and Hunt, 1994; Yilmaz and Hunt, 2001) Communication (Mohr and Nevin, 1990; Mohr et al., 1996). For the purpose of this study, considered Communication, and customer loyalty to predict the relationship between communication “variable” and customer loyalty, in this context selected. A number of researchers (Ziethaml, 2000; Lovelock, 2001, Ahmad, 2007; Kotler, 2011) have previously argued that the traditional 4Ps of the marketing mix model are inadequate for either the marketing of goods or for services marketing. Services are different from products, because of their characteristics; intangibility, inseparability, heterogeneity, and perishability. The unique characteristics of services create unique marketing problems and challenges, which need special marketing strategies to deal with them. Consequently the marketing strategy in the services should adopt marketing relationship (RM) may have a crucial effect on hospital performance. Relationship marketing aims at increasing customer profitability while providing better services for customers. Several studies have empirically demonstrated a positive association between RM strategies and business performance (Naidu et al., 1999; Palmatier and Gopalakrishna, 2005).

Dimensions of Relationship Marketing:
Clearly, making, enabling, and keeping promises are crucial parts of relationship marketing process, but developing relationships require more than promises. All relationships depend on the development of emotional links between the parties. There are four key dimensions of relationship marketing: bonding, empathy, reciprocity, trust and tangibility (Chris and Graham, 2007). Morgan and Hunt (1994) define Relationship Marketing as "all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges". In essence this suggests that in order to complete successful transactions, there must be a relationship between the firm and the customer. Firms are now focusing on acquiring new customers and turning them into a loyal customer that is deemed as being 'married' to the brand. This suggests that firms are now looking to form long-term relationships with other firms and customer. Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationship exchanges (Mishra &Li, 2008) Relationship marketing theory concerning relational factors and their influence on RM-based strategy success builds on social exchange theory (Blau, 1964; Homans, 1958; Macaulay, 1963; Thibaut and Kelley, 1959) and relational contracting (Macneil, 1980). Studies examining relational factors distinguish between discrete and relational exchanges. The former have a definite beginning, a definite end, a short duration, and involve anonymous parties, while the latter involve a series of exchanges over a long (or indefinite) period of time, with parties who know each other (Dwyer et al., 1987; Macneil, 1980). The relational factors view suggests that successful relationship marketing results from certain aspects of the relationships that characterize successful relational exchanges. Although extant research identifies numerous factors associated with successful relational exchanges, the six dimensions cited most often are:
1. Trust (Dwyer et al., 1987; Morgan and Hunt, 1994; Sividas and Dwyer, 2000)
2. Commitment (Anderson and Weitz, 1992; Day, 1995; Geyskens et al., 1999)
3 Cooperation (Anderson and Narus, 1990; Morgan and Hunt, 1994).
5. Shared values (Brashear et al., 2003; Morgan and Hunt, 1994; Yilmaz and Hunt, 2001).

This paper aims to test the effect of (communication) on patients’ loyalty which articulated in a model that is assumed to be comprehensive enough to explain loyalty.

This research consists of the selected independent variables represented by (RM) components namely (communication) and dependent variable which represented by patient loyalty in order to explore the relationship between independent and dependent variable:

**Communication:**
Communication refers to the ability to provide timely and trustworthy information. Communication is defined as the formal as well as informal exchanging and sharing of meaningful and timely information between buyers and sellers (Sin et al, 2002) today, there is a new view of communications as an interactive dialogue between the company and its customers, which takes place during the pre-selling, consuming and post-consuming stages (Anderson and Narus, 1990). In relationship marketing communication means keeping in touch with valued customers, providing timely and trustworthy information on service and service changes, and communicating proactively if a delivery problem occurs. It is the communicators task in the early stages to build awareness, develop consumer preference, convince interested buyers, and encourage them to make the purchase decision (Ndubisi and Chan, 2005). Communications also tell dissatisfied customers what the organization is doing to rectify the causes of dissatisfaction. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal. Communication should be proactive rather than just reactive (Boedeker, 1997) and it has three sub constructs. These are the frequency, relevance and timeliness of communication from the organization to the customer (Macmillan et al, 2005).

**Customer Loyalty:**
Customer loyalty is defined as: a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (Oliver, 1999, p. 34). As mentioned in the definition above, loyalty has both an attitudinal and behavioral dimension (Dick and Basu, 1994). It is assumed that customers who are behaviorally loyal to a firm display more favorable attitudes towards the firm, in comparison to competitors. However, in some cases behavioral loyalty does not necessarily reflect attitudinal loyalty, since there might exist other factors that prevent customers from defecting (Aldlaigan and Buttle, 2005; Liljander and Roos, 2002; Reinartz and Kumar, 2002). Within hospitals, Behavioral loyalty is the extent to which the patient is repeatedly provided with a health service (Kim and Park, 2000) while attitudinal loyalty is commitment towards a brand and its associated values (Chiou and Droge, 2006). Variations can be identified that promote positive word-of-mouth (Zeithaml et al., 1996) to recommend the service (Stum and Thirty, 1991) or to encourage others to use the service (Bettencourt and Brown, 1997); i.e., loyal customers are ambassadors. Therefore, we use measures such as “willingness to recommend” and “other recommendations” because they are widely used (Anderson, 1998) and serve as a patient loyalty indicator. For hospitals, satisfied patients are
important because they are more likely to keep using medical services, follow the prescribed treatment plan, and maintain the relationship with a specific health care provider, and recommend the hospital to others.

**Hypotheses:**
In this study there is only one dependent variable which is the customer loyalty relays on independent variable (communication to investigate the following hypotheses:

"There is direct relationship between communication and customer loyalty within the hospitals in private sector".

The conceptual framework of this research as shown by figure 1

![Figure 1: Conceptual model of research](image)

3. **Research Methodology:**
The methodological approach followed quantitative in nature. To study actual relationships that may exist between independent and dependent variables as stated in the research hypotheses and the research design constructed here is based on the hypotheses formulated. The hypotheses were formulated from the researcher’s observation and from the literature. Sample consisted of customers who visited the practice twice or more over the previous six years. A structured questionnaire, with a five-point Likert scale, was fielded to gather the data. The descriptive and simple linear regression analysis approach was used to analyze the results. The descriptive part is needed to describe and identify the research factors, which constitute the relationship marketing strategy components (communication) in Abha private sector hospitals measured by patients' loyalty.

**Measurement:**
Items to measure the construct dimensions were adapted and modified from previous studies: The construct of hospital communication was measured using an adapted version of a five-item scale proposed by (Morgan and Hunt, 1994; Ndubisi, 2006). using six items to measure Customers' Loyalty, the hypotheses were developed from the literature review and previous questionnaires by Nyadzayo (2010), Du Plessis (2010) and Rootman (2006) and (Antonio et al. 2014) for loyalty using 6 items. The eventual total of items dimensions (11) as follows:

- **Communication:**
  1. The Hospital provides timely information.
  2. The Hospital provides trustworthy information.
  3. The Hospital provides information if problem occurs.
  4. The Hospital provides information when there are new Hospital services.
  5. The Hospital gives and promises.

- **Customers' Loyalty:**
  1. Considering the hospital as first choice among other hospital in the area; and
  2. The hospital that first comes to my mind when making purchases decision on hospital services.
3. I often say positive things about this hospital to other people.
4. The drop in prices in competing hospitals not leads me to switch to other hospital
5. If I have a problem with this hospital, I will not send my complaint to customers close to me
6. If I have a problem dealing with the hospital, I will not forward my complaint to others
All items were measured by responses on a five-point Likert scale of agreement with statements, ranging from 1 = strongly disagree to 5 = strongly agree. Simple regression analysis will perform to predict the relationship between Communications “Variable” and customer loyalty, in this context selected.

**Empirical Study:**
This study carried out at Aseer region in ABHA (KSA). The sample of the study is 398 patients (customers of private hospitals). The convenient sample has been taken from ABHA private hospital, specialized hospital, Downi hospital and Tashafi hospital. The statistical analysis of the sample data covered the following tests:
- Descriptive statistics (frequency tables)
- Reliability study (Alpha Cronbach)
- Regression analysis (direct regression & step wise regression)
- Descriptive statistic

**Table (1): Demographic variables**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>VALUE</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Male</td>
<td>284</td>
<td>71.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>114</td>
<td>28.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>398</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>less than 25 years</td>
<td>114</td>
<td>28.6</td>
</tr>
<tr>
<td></td>
<td>25--34 years</td>
<td>189</td>
<td>47.5</td>
</tr>
<tr>
<td></td>
<td>35--44 years</td>
<td>79</td>
<td>19.8</td>
</tr>
<tr>
<td></td>
<td>45--54 years</td>
<td>16</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>398</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Saudi</td>
<td>338</td>
<td>84.9</td>
</tr>
<tr>
<td>Nationality</td>
<td>non Saudi</td>
<td>60</td>
<td>15.1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>398</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>less than secondary</td>
<td>7</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td>Secondary</td>
<td>32</td>
<td>8.0</td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>42</td>
<td>10.6</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>272</td>
<td>68.3</td>
</tr>
<tr>
<td>Education</td>
<td>post graduate</td>
<td>45</td>
<td>11.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>398</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>2000—3999</td>
<td>102</td>
<td>25.6</td>
</tr>
<tr>
<td></td>
<td>4000—5999</td>
<td>51</td>
<td>12.8</td>
</tr>
<tr>
<td></td>
<td>6000—7999</td>
<td>160</td>
<td>40.2</td>
</tr>
<tr>
<td></td>
<td>8000 &amp; above</td>
<td>85</td>
<td>21.4</td>
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<tr>
<td>Monthly Income</td>
<td>Total</td>
<td>398</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>public official</td>
<td>87</td>
<td>21.9</td>
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<tr>
<td></td>
<td>private official</td>
<td>201</td>
<td>50.6</td>
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<tr>
<td>Job Status</td>
<td>Idle</td>
<td>73</td>
<td>18.3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>398</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Downi</td>
<td>75</td>
<td>18.8</td>
</tr>
</tbody>
</table>
Hospital Type | Others | Tashafi | Altachassi | Abha specialist | Total  
---|---|---|---|---|---  
| 84 | 96 | 42 | 101 | 398  

Source: field study

From the demographic result exhibited in the above table in the sex variable the majority is male sex which has percentage equals to 71.4% while the female represent the minority by 28.6%, in the age variable the majority group is (25-34) year while the minority group is (45-54) year, as far as nationality the Saudi are the majority of the study sample. For the education level the majority is graduate level while the minority one is secondary. With respect to monthly income the majority class is (6000 to 7999) while the minority class is (4000 to 5999). The job status majority in the study sample is private official while the minority is the freelance. Finally the type of hospital sample size percentage is as follows: Abha specialist, Tashafi, Others, Downi Al Tachassi respectively.

**Reliability analysis:**

| | Reliability(Cronbach's Alpha) | Validity  
|---|---|---  
| Communications | 0.83 | 0.91  
| Loyalty | 0.83 | 0.91  

Source: field study

The reliability analysis reflects the stability of the items of each variables in measuring the content of the pivot as assured by the high percentage of reliability values (greater than 80%). Furthermore, the validity values exceeded 90% which means that we have high confidence in questionnaire expressions and hence we can use them in detecting the results.

**Discussion:**

| Test | Value | Sig  
|---|---|---  
| $R^2$ | .501* |  
| F | 132.911 | .000  
| Durbin Watson | .476 |  

Source: field study

**F. Test:**
The f test reflects the overall significance of the model, from the results the value of $F$ equals 132.911 and statistically significance at (0.000) which means estimated model is statistically significant, the independent variables (communications ) explain the dependent variable (patients' loyalty).

**$R^2$ or the coefficient of determination:**
The coefficient of determination measures the percentage of the variability in the dependent variable caused by the independent variables. From the result in table (3) the independent variable (communications) responsible from 51% of the variability in the dependent variable (patient’s loyalty) the rest of the percentage for the variables were not included in the model.
Durbin Watson test:
The value of Durbin Watson refers to the existence of autocorrelation problem in the estimated model, from the result the value equals (.476) which means we are not sure to the existence of the problem in the model.

<table>
<thead>
<tr>
<th>Coefficient</th>
<th>Value</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>6.414</td>
<td>5.290</td>
<td>.000</td>
</tr>
<tr>
<td>Communications</td>
<td>.707</td>
<td>11.529</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: field study

The table of linear regression coefficient reveals the following:
- The constant has positive sign which means that the dependent variable (patient loyalty) is automatically increasing and statistically significant.
- Communication has positive sign which means the existence of direct relation between Communication and patient loyalty moreover it is statistically significant.

The researcher has come out with the following findings:
(1) The constant has positive sign which means that the dependent variable (patient loyalty) is automatically increasing and statistically significant.
(2) There is increasing patient loyalty towards hospitals services.
(3) The communication has positive impact on (patient loyalty).

Recommendations:
1- Hospitals must strengthen their links with patients
2- Hospitals must compromise the prices of rendering their services.
3- More efforts must be devoted towards providing services at high quality
4- The hospital must give more care to patients complain
5- Patients' loyalty needs more variables for its interpretation and prediction

Managerial implications:
This study identified a number of significant linkages that can support managerial decisions on positioning marketing strategies in healthcare sector. First, Hospitals must strengthen their links with patients. Hospitals must compromise the prices of rendering their services. The hospitals must give more care to patients complain.

Limitation & suggestion for Future research:
Although this paper makes several contributions to consumer loyalty, there are a few limitations that emerge from this study, which, however, present opportunities for future research this study use one variable (communication) in explaining patient loyalty which is insufficient so we need more variable to be incorporated in the model. Furthermore within the guide of the result it can apply the model of the study to the similar cases in different fields.

Conclusions:
The goal of this paper was to determine the impact of communications on consumer loyalty. For this, hypotheses were formulated; in the literature review the relationship of marketing is often offered as a solution for all customers in all situations where such a relationship approach is suitable. Within more important variable communications is selected to examine such relationship. The results proved positive impact of communication on patients loyalty, which is in accordance with the literature review, hence the question of the study is accommodated beside the hypotheses...
of the study is significantly accepted. The study recommends hospitals management must strengthen their links with patients and give more care to patients.

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