

CUSTOMER TO CONSUMER: ATTITUDINAL AND BEHAVIOURAL LOYALTY

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ABSTRACT

The purpose of this study is to examine and analyze the customer's attitude and behavior on loyalty in public healthcare services. The research design used survey with data collection from hospitalized 300 patients of Government District Hospital Udhampur J&K (North India) through a questionnaire. Exploratory Factor Analysis is used to analyze data. The results of the study provide evidence that loyalty of Public Health care is Comprised of Attitudinal and Behavioral Loyalty. The respondent showed low attitudinal loyalty but in contrary they showed behavioral loyalty. The study highlights various factors which are impacting their positive attitude. The study also discussed the limitation and direction for future research.

Keywords: Loyalty, Attitudinal Loyalty, Behavioral Loyalty, Healthcare, Public Hospital.

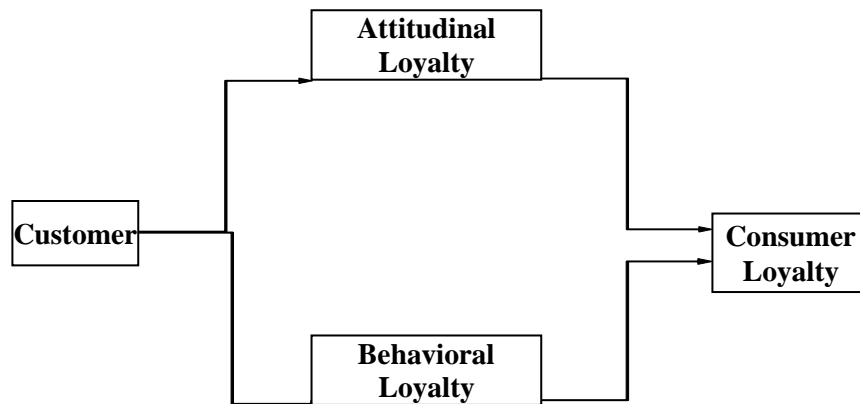
INTRODUCTION:

Loyalty, traditionally been used to describe fidelity and enthusiastic devotion to a country, a cause or an individual. More recently, it has been used in a business context to describe a customer's willingness to continue patronizing a firm over the long term, preferably on an exclusive basis, and recommending the firm's product to friends and associates. Customer Loyalty extends beyond behavior and includes preferences, liking and future intentions (Lovelock, Witz and Chatterjee, 2010). The success of the company to maintain customer loyalty is influenced by many factors, among other is related to attitude and behavior of customers. The high level of service performance is believed to be an effective way to increase customer loyalty (Huang & Liu, 2010). According to Kumar and Shan 2004 the main goal of every company is profitability and one method to achieve this for a company is to gain and maintain loyal customer. Loyalty is continued use of a product or service and is grounded in by attitudinal and behavior of customer. A Loyal buyer is, at some level engaged in a relationship whereas a habitual buyer is indifferently engaging in routine behavior (Knox 1998). Dick and Basu (1994) defined Customer Loyalty as the relationship between one's attitude towards an entity and one's patronage behavior. Rauyruen and Miller (2007), stated to a loyal customer company need to establish a good relationship with customer by giving concern to customer and encouraging them to future repurchase.

RESEARCH PROPOSITION:

Loyalty is continued use of product & service and the attitude of customer toward that particular organization giving product and services. The difference between attitude and behavior relates to the selection of particular product and services. Loyalty can be divided into two parts Attitudinal Loyalty and Behavioral Loyalty (Kumar and Shan, 2004). Many authors accepted the loyalty as attitude and behavior of customer (Dick & Basu, 1994, Grewal & Brown 1996, Chaudhary & Holbrook, 2001, Brown & Chen, 2001 and Ramli & Sjahrudin, 2015). Attitudinal Loyalty is about the customers who have positive feeling about product and service they use and attempt to influence other to use it by recommending to others (Chaudhari & Holbrook, 2001). 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 service from same service provider (Zeithaml et al. 1996, Ramli & Sjahrudin, 2015). Attitudinal Loyalty can be a commitment or trust to a company which may not have to result in any purchase. Though the customer has a positive attitude towards a company product or service, they might have an even more positive toward another company. Attitudinal Loyalty help the company to build up an exit barrier for customer. Customer Loyalty become important to a organization when its results in purchase behavior. This generate for a company indirect and tangible returns which attitudinal loyalty does not (Ramli & Sjahrudin, 2016). So another dimension of loyalty i.e behavioral loyalty is important for a company in order to generate profitability. Behavioral loyalty is defined as the customers intention to repurchase and patronize the product or services (Chaudhary & Holbrook, 2001). It is consumer behavior (such as repeat purchase) related to certain product or service over time (Grenler & Brown, 1996). Behavioral Loyalty is important for a company in order to generate profitability. To maintain and enhance customer loyalty the company has to understand and fulfill the customer's needs and wants (Caceres & Paparoidamis, 2007). Loyal customers are committed to product and service they not only show positive attitude by repurchase, patronize recommending product and service but also show behavioral loyalty by not switch to other company. Rust et. Al 2004 proposed two additional item including consumer willingness to share information with others and consumer's willingness to test services developed by the firm. The study proposed that composite measurement of loyalty is the combination of attitudinal and behavioral loyalty.

RESEARCH MODEL:



OBJECTIVES OF THE STUDY:

The objectives of the study is to

1. Measure Loyalty from attitudinal and behavioral loyalty of Customers.
2. Suggest measures to Building (enhancing) Behavioural Loyalty and Cultivating Attitudinal Loyalty.

RESEARCH METHODOLOGY:

Sample:

The result of pre – testing (35) indoor patients helped in finalizing 300 indoor patients (using formulae, Malhotra 2002, pp. 375) of 6 departments i.e. General medicine, Pediatrics, General surgery, Gynecology, ENT and Orthopedics of District Hospital Udhampur (Jammu and Kashmir, India).

Measures:

For data collection questionnaire was prepared for the questionnaire of loyalty comprises of two sections, section A and B, The section A contain Loyalty scale comprise of 15 statements i.e. Attitudinal Loyalty (9 statements) and Behavioral Loyalty (6 statements). The section B contain specific information on Healthcare loyalty was derived from general information about patient profile (7 statements) of which 3 relates to demographic profile of patients and 4 statements relates to patients attitude and behavior towards loyalty.

Data Purification:

The Exploratory Factor Analysis was used for data purification. The study used principal component analysis with varimax rotation. The eigen value equal to or more than 1 criterion is used to determine number of components to be extracted and KMO values equal to and greater than 0.50 is used to find out relevancy of data reduction and grouping for factor analysis. Further Bartlett test of Sphericity is used to identify correlation coefficient among the variables and degree of correlation coefficient equal to or greater than 0.30 is used as criterion for selection of items to check relationship among items (Hair et. al., 1995).

Research Tools:

To assess the relationship between Loyalty and its sub – dimension Attitudinal Loyalty and Behavioral Loyalty study applied Univariate analytical tool such as mean, percentage and frequency.

Demographic Profile:

The demographic profile of respondents was distributed according to gender, income and age. The sample consisted of 120 females and 180 males. The patients were also classified into 3 income and 3 age groups. The income group majority respondents i.e. 210 (70 %) are under income group 5000 – 10000 and in age wise distribution 26.67 % respondents are of below 20 age, 30% respondents are between 20 – 40 years and 43.33 % are of above 40 years.

Table 1: Demographic Profile of Patients

Demographic Profile		No. Of Respondents	Percentage
Gender	Male	180	60.0
	Female	120	40.0
Income	Below Rs 5000	50	16.67
	Rs 5000 – Rs 10000	210	70.00
	Above Rs 10000	40	13.33
Age	Below 20 years	80	26.67
	20 Years – 40 Years	90	30.00
	40 Years – 60 Years	130	43.33
Overall		300	100.00

VALIDITY AND RELIABILITY:

Denscombe (1998) validity is about to what extent searched data and the methods to receive this data are exact, real and accurate (p.238). To increase the validity in our study we are going to use a face to face interview, we interview the person in hospital with the most knowledge of subject. The respondents who are staying for more than 4 days can give more suitable response. Further the dimension wise convergent validity of loyalty scale came out to be satisfactory attitudinal loyalty (0.930) and behavioral loyalty (0.840). Reliability is that research is performed in reliable way. The Loyalty scale measures have achieved alpha value greater than 0.7 state reliability of Loyalty scale (Table 2).

Table 2: Alpha Value, Correlation and Significance Level Values of Loyalty Scale

Dimensions	Alpha Value	Correlation	Sig.	Result
Loyalty	0.780	—	0.000	valid
Attitudinal Loyalty	0.888	0.930	0.000	
Behavioral Loyalty	0.785	0.840	0.000	

DATA ANALYSIS:

Loyalty is comprised of 15 statements. The Exploratory Factor Analysis resulted in deletion of two statements. The finale scale of Loyalty comprised of 13 statements. Attitudinal loyalty contains seven statements and Behavioral loyalty comprised of six statements. The KMO value was found to be 0.780 and BTS as 749.680 (dof = 28 and Sig = 0.000) (Table 3), which supported the relevancy of factor analysis. The application of varimax rotation method at 5 iterations helped in identifying two factors. The detail analysis of Loyalty is discussed as under.

Attitudinal Loyalty (Factor 1) - The first factor comprised five statements out of sixteen statements. These statements included 'You have special attachment or emotional feelings towards the hospital' (M.S =2.20 & F.L. = 0.86), 'quality of care' (M.S = 2.40 & F.L. = 0.87), 'trust' (M.S =3.37 & F.L. =0.60) and 'recommend physician' (M.S =3.00 & F.L. = 0.75), 'recommend hospital' (M.S =3.50 & F.L. = 0.73), 'switch to other health service' (M.S. = 2.60, F.L. = 0.80) and 'you have positive attitude towards hospital services' (M.S =2.00 & F.L. = 0.75). The overall mean score of factor came out to be 2.72 revealed that respondents are not showing positive attitude towards hospital services. The factor explained 50.50 percent of variance out of 81.20. The value of communalities ranged between 0.65 to 0.90 for the items reflect the relative importance of the statements in relation to loyalty.

Behavioral Loyalty (Factor 2)- The behavioral loyalty comprised of 'visit because of good services' (M.S = 2.00 & F.L. = 0.80), 'visit because of latest technology' (M.S = 4.00 & F.L. = 0.80), 'visit because of price effectiveness' (M.S = 4.50 & F.L. = 0.85), 'visit because of expertise of staff' (M.S = 4.00 & F.L. = 0.70), 'select as first choice' (M.S = 2.00 & F.L. = 0.65), and 'loyalty' (M.S = 3.00 & F.L. = 0.60) were found to be important under factor 2. The overall mean scores of factors came out to

be 3.25 revealed that respondents are behavioral loyal towards hospital. The value of communalities for the items came out to be highest for 'visit because of good services' (0.75).

Table 3: Factor - wise mean, Factor loading, KMO, Variance Explained, Communalities and Eigen Values for Loyalty Scale

Loyalty	Mean	Factor Loading	KMO	% of v	Communalities	Eigen value
F1– Attitudinal Loyalty	2.72			50.50		1.78
You have special attachment or emotional feelings towards the hospital.	2.20	0.86	0.654		0.90	
The quality of care of public hospital is good.	2.40	0.87	0.642		0.85	
You trust the services of the hospital.	3.37	0.60	0.820		0.85	
You will recommend the same physician to your friends and relatives.	3.00	0.75	0.800		0.80	
You will recommend the same hospital to your friends and relatives.	3.50	0.73	0.719		0.75	
In future you may switch to other health service.	2.60	0.80	0.603		0.70	
You have positive attitude towards hospital services.	2.00	0.75	0.700		0.65	
F2 – Behavioral Loyalty	3.25			30.70		1.25
You are visiting the hospital for its good services.	2.00	0.80	0.813		0.75	
You are visiting the hospital because of the availability of latest technology.	4.00	0.80	0.860		0.75	
The price effectiveness makes you to visit the hospital.	4.50	0.85	0.800		0.70	
The expertise skill of staff makes you to visit the hospital again.	4.00	0.70	0.750		0.65	
You select it as first choice.	2.00	0.65	0.700		0.60	
Overall you are loyal to the health care unit.	3.00	0.60	0.650		0.50	
No. of iterations		5				
Kaiser – Meyer – Olkin Measure of Adequacy	Bartlett's Test of Sphericity	Degree Of Freedom	Significance	Cumulative Variance	Grand Mean	
0.780	749.680	28	.000	81.20	2.98	

ANALYSIS OF RESEARCH PROPOSITION:

The loyalty of the respondents are further analysed with the help of asking some other general questions. For which the majority of patients (69.33 %) have visited the public hospital about 1 to 10 times for different treatments and very less number of patients (14.00 %) has visited above 21 times in the last 10 years. Further only (16.67 %) of patients visited the public hospital again for same treatment and majority of patients (83.33 %) remarked that they always recovered fully and as such never visit the hospital for the same treatment. In addition, more than half i.e. 66.67 % of patients are associated with public hospital from 1 to 10 years and only 6.67 % have long relationship of more than 21 years. Among them (66.66 %) of patients are also using services of private health care unit. Overall long – term relationship in terms of 6.67 % of patients associated with the hospital is found to very low.

Table 4: Patient Loyalty

	S.NO.	NO. OF TIMES	FREQUENCY	%
Visit to public hospital for the different treatment	1	1 – 10	208	69.33
	2	11 – 20	50	16.67
	3	21 above	42	14.00
Visited to public hospital again for same treatment	1	Yes	50	16.67
	2	No	250	83.33
Association with public hospital (yrs)	1	1 – 10	200	66.67
	2	11 – 20	80	26.66
	3	21 above	20	6.67
Association with private health care unit	1	Yes	200	66.66
	2	No	100	33.33
	Total		300	100.0

FINDINGS AND CONCLUSION:

The study find that close relationship with the customer give so many benefits including loyalty of customer. To maintain the relationship, positive attitude and behavior of customer are of great importance. Our study shows that satisfied customer generate a favourable attitude towards product and service which lead customer positive word of mouth for company, brand, entity and organization. A positive word of mouth or recommendation to friends and relatives give company a good reputation. The positive attitude of consumer gives the non-customer positive perception of organization. Organisation in order to gain and maintain loyal customer have to make sure that the customer see and perceive the benefit to loyal (Ramli & Sjahruddin, 2015). The number of private healthcare has increased tremendously, consumer are more aware over the past decades they demand quality healthcare services from public hospital like private hospitals. The public believes that they could obtain a better healthcare service. Building and maintaining relationship with customer has emerged as an essential element to achieve a customer Loyalty. The purpose of the study was to examine the relationship between attitudinal loyalty and behavioural loyalty with loyalty. Questionnaires were used to analyze patient loyalty. The overall mean score value with regard to patient loyalty (2.98) suggests that patients are not loyal to hospital. The respondents also showed low (2.72) attitudinal loyalty towards hospital but in contrary they are behavioural loyal towards hospital (3.25). The result of this study revealed that consumer have different style, a consumer may have positive attitude but not positively behavior (repeat purchase) because of availability of better services of other organization. On the flipside though the consumers have negative attitudinal loyalty towards organization but they remain behavioural loyal towards the organization because of high switching cost, near availability of service provider and emergency needs like in public healthcare services. Patient will show increased loyalty when they feel a positive connection with hospital because of reputed doctors and nurses availability of latest test, equipment and technical facilities. The service marketing relationship between healthcare providers and patients can be very important to the latter's evaluation of the healthcare provided by the former (Salgaonkar, 2006). The results is important for management team of public healthcare service provider to determine what are the various factors which affect attitude of patients and lead to positive behavior, the loyal customer to their hospital to prevent switching of customer. These loyal customer lead to profitability and switching customer lead to failure for organization in the long run.

LIMITATION AND FUTURE RESEARCH:

Researchers cannot be separated from the limitation; this study is still limited to patients' perception. So that subsequent research is advised to use the doctors, nurses, paramedical staff in analyzing loyalty in healthcare services. The study measure only loyalty of customer but influence of perceived value, satisfaction trust on loyalty can be measured in future research. The study used only two measures of loyalty attitude and behavior many other loyalty dimension like composite measurement of loyalty is the combination of behavior loyalty and attitudinal loyalty that explain relationship quality and consumer loyalty can be used by future researcher. Lastly, to check switching behavior of customer private hospital must be included in study with public sector for holistic overview of loyalty.

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