Service Quality towards Reaching Hyper Customer Satisfaction in Private Hospitals
(Empirical Setting from Colombo City of Sri Lanka)

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Abstract

The measurement of service quality and relationship between service quality and customer satisfaction are arguable among the most important concerns in services marketing. The researcher was attracted towards this area of study and searched to find important and rarely researched industry for the study. After the pre-interview with the industry concerned expertise and through the initial literature review, researcher found that the private hospital industry is the less researched service industry not only in Sri Lanka even in international research arena.

This study attempts to examine the relationship between quality of service and other variables such as availability, timeliness, price and convenience and customer satisfaction of private hospitals in Colombo city of Sri Lanka. Most of the studies carried out related to service quality failed to include these variables in analyzing the customer satisfaction. Therefore this study mainly considered the factors like availability of services, timeliness in providing services, charges for services provided and convenience to access the service. Quality of service is quantified by giving values to reliability, responsiveness, empathy, assurances and tangibility. Customer satisfaction is quantified by assigning values to product (medical care), personnel, service, price, availability and conveniences.

The results suggest that there is a positive relationship between quality of service and customer satisfaction that is where it is identified that higher level of quality of service result in higher level of satisfaction. In view of this, the study attempts to give description and analysis of the characteristics and services provided by the selected private hospitals based in capital of Sri Lanka.

Keywords: Service Quality, Customer satisfaction, Private Hospitals, Services Marketing

Background and Justification

Quality in service very important especially for the growth and development of service sector business enterprises (Powell, 1995). It works as an antecedent of customer satisfaction (Ruyter & Bloemer, 1995). In past, quality was measured only for the tangible products because of less dominance of service sector in the economy. Due to the increasing importance of service sector in the economy, the measurement of service quality became important. ISO standards are one of the measurement tools of service quality, where quality is defined as the totality of features and characteristics of a product, process or service.

Only few studies have been done before this by linking private hospital industry to evaluate the effectiveness of the services provided by them to their customers. Hence there is a research gap to be filled in this research arena. Also it is understood that hospitals are involved

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in providing health care services which is of great importance to everyone in this world. Service sector differs from other types of organizations in many important aspects and requires a distinctive approach to marketing, customer care, and public relations etc. Though we see common characteristics in services we still see different categories of service processes like people processing, possession processing, information processing and the mental stimulation processing. The researcher’s selection of services of the private hospitals is confined to people processing services where direct physical contact with customers with delivery on real time is possible.

The private hospital sector in Sri Lanka caters to substantial segment of the population but very little is known about how the private hospital is functioning with particular reference to quality of service and thereby customer satisfaction. This has become more relevant in the recent past as private hospitals with international linkages have been started and it is interesting to see their influence and impact in the industry, especially in terms of customer care.

The growing importance of the service sector is not limited and services currently account for 58% of the worldwide GNP (Bateson, 1989). Managing the service quality is one of the most important problems faced by management today. Interest in the measurement of service quality is thus understandably high and the delivery of higher levels of service quality is the strategy that is increasingly being offered as a key to service providing efforts to position themselves more effectively in the market place (Brown & Swartz, 1989; Parasuraman et al 1988; Rudie & Wansley, 1985; Thompson et al 1985).

Service quality has been described as a form of attitude related but not equivalent to satisfaction that results from the comparison of expectations with performance. The most common explanation of the difference between the two is that perceived service quality a form of attitude; a long runs overall evaluation, whereas satisfaction is a transaction specific measure (Binter 1990; Bolton and Drew 1991 a, b; Parasuraman et al 1985, 1988). Parasuramn et al (1985) proposed that higher levels of perceived service quality results in increased customer satisfaction but Binter (1990); Bolton and Drew (1991 a, b) suggest that satisfaction is an antecedent of service quality. Bonin and Taylor (1992) suggest that the scale items that define service quality in one industry may be different in one another perhaps high involvement services such as health care services have different service quality definitions than low involvement services such as fast food or dry cleaning. Customer satisfaction is not influenced by one variable mentioned as service quality but also influenced by other variables such as availability, timeliness, price and convenience. Most of the studies addressed about service quality failed to include these other variables in analyzing the customer satisfaction. Therefore this study mainly considered the factors like availability of services, timeliness in providing services, charges for services provided and convenience to access the service.

The effect of price on satisfaction has received considerably less research attention than have the roles of expectation and performance perceptions
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(Spreng et al, 1993). Even though satisfaction literature offers little insight into the effect these pricing decisions might have on customer satisfaction, the influences of price and performance on satisfaction formation in service contexts are especially worthy of investigation (Voss et al 1998). Speed of service is increasingly becoming a very important service attribute (Kartz et al 1991). For many customers waiting for service is a negative experience (Scotland 1991). For these reasons organizations are continuously seeking ways to speed up service, believing that waiting will affect service evaluations negatively. To understand the waiting experience, one must understand what is meant by wait for service. Here, it refers to the time from which a customer is ready to receive the service until the time the service commences. Customers can wait before, during, or after a transaction; that is, pre-process, in-process, and post-process. It is found that pre-process waits shown to be more unpleasant than in-process waits. (Dube-Rioux, Schmitt & Leclerc 1988).

Dube-Rioux, Schmitt, and Leclerc (1988) suggest that pre-process wait further categorised into pre-schedule waits, delay and queue waits. Delay is the only important timing variable that is relevant to this study in measuring quality of service in private hospitals. Existing models suggest that the delay would negatively affect one or more service attributes, which in turn affect the overall evaluation (Parasuraman, et al 1985). It is assumed commonly that a delay will affect a consumer’s evaluation of punctuality of service, because punctuality, by definition refers to an evaluation of promptness or adherence to a specified time. In service quality research, punctuality has been found to be an important component of perceived service reliability (ibid), and service reliability has been found to be a very strong determinant of overall service quality evaluations (Berry & Parasuraman, 1991). Shirley Taylor (1994) founds that longer delays resulted in lower evaluations of service. Overall service evaluations were affected directly by evaluations of punctuality and the uncertainty and anger created by the delay. He suggests that by filling time in other activities customers might pay less attention to the delay, and less boredom, restlessness, and anxiety could result.

Satisfaction is an important element in the evaluation stage. Satisfaction refers to the buyer’s state of being adequately rewarded in a buying situation for the sacrifice he has made. Adequacy of satisfaction is a result of matching actual past purchase and consumption experience with the expected reward from the brand in terms of its anticipated potential to satisfy the consumer’s motive. (M R. Solomon 1997).

Oliver (1993) suggests that Customer satisfaction with a purchase depends upon the service’s performance relative to a customer’s expectation. A customer might experience various degree of satisfaction. If the service’s performance falls short of expectations, the customer is dissatisfied. If the performance matches expectations, the customer is satisfied. If performances exceed expectations, the customer is highly satisfied or delighted. He also suggests that customer satisfaction can be increased by strengthening or augmenting the product, services, personnel, or image benefits of the offer.

Customer satisfaction role as a leading indicator of financial and economic performances is traceable directly to its

Parasuraman et al (1988) conclude their study by saying that customers utilise five broad service dimensions-reliability, responsiveness, assurance, empathy and tangibles to judge service quality. Reliability is defined as "ability to perform the promised service dependably and accurately." People are naturally very much concerned about their health. Being a healthy person is the biggest gift to any human being in this world. Hospitals are dealing with health care of people. People mainly evaluate service quality of hospital based on the accuracy of the medical treatment, emergency service and lab test results. Therefore in this study reliability can be considered as a critical dimension in determining service quality.

Responsiveness is defined as "Willingness to help customers and provide prompt service." Customers also judge quality of service of hospitals based on responsiveness. Because hospitalisation is a stressful time period for patients and their families, they expect staff to be friendly and helpful to them and provide assistance to make their stay pleasant. Empathy is defined as "caring individualised attention provided to customers." In hospital each patient is unique with his or her illness and health condition. They expect personalised care from doctors, nurses and other staff and measure quality of service based on this aspect of staff’s behaviour and performance.

An assurance is defined as "knowledge and courtesy of employees and their ability to convey trust and confidence." To get a positive rating for service quality from customers, hospitals have to build trust and confidences about them. If the hospital provides correct diagnostic services and maintain a good follow up relationship with customers, they develop trust and confidence about the quality of service by the hospital.

Tangibility is defined as "The appearance of physical facilities, equipment, personal and communication material." During hospitalisation patients expect rooms, surrounding and staff to be clean all the time as cleanliness will reduce the chances of infection and provide a homely feeling. They also look for whether needed facilities are available, equipment in working order condition and comfortability in their evaluation of service quality. They also look for state-of-the-art technology.

Wait for service is defined as "The time from which a customer is ready to receive the service until the time it commences." In health sector delay may cause very serious effects such as death, disability and serious illness. Therefore speedy service is a very important dimension in measuring service quality in hospitals. According to service quality research by Parasuraman, Zeithemal & Berry (1985),
delay will affect a consumers' evaluation of punctuality of service. Punctuality has been found to be an important component of perceived service reliability, and service reliability has been found to be a very strong determinant of overall service quality evaluations. In the above finding timeliness is indirectly related to service quality. But in hospitals timeliness is equally important dimension of service quality as other five variables. Therefore researcher includes timeliness as one important dimension of service quality.

Hence hospital being in the service sector, there is no tangible product. They offer intangible medical care as their product to customers. Price is also included as a component of customer satisfaction. Because Glenn B. Vass, A. Parasuraman & Dharav Grewal (1998) suggest that even though satisfaction literature offers little insight into the effect of pricing decisions might have on customer satisfaction, the influences of price and performance effects on satisfaction formation in service context is especially worthy of investigation.

Zeithaml (1984) defined "price perception as the "translation of the objective price into cognitions that are meaningful and relevant to the customer." Availability and convenience are also taken as components of customer satisfaction even though less attention is given to these components by the previous researchers as availability of specialties, facilities, and convenience of location also influences the satisfaction. J.Joseph Cronin, Jr Steven and A. Taylor (1992) suggest that availability, price, convenience and timeliness influence customer satisfaction.

The following diagram shows the research model developed under this study through the end of the literature survey.

![RESEARCH MODEL Diagram](image)
Methodology
The study took the form of a customer survey by the way of observation and the face-to-face interviews with the help of structured and semi-structures questionnaires.

The sample comprised 25 customers from each selected hospital amounting to a total sample of 75 numbers because of curtailing the complexity of study. Observation method had been followed to gather information on how services are provided in practice. The researcher visited each hospital five times and on each occasion researcher went there one-hour prior to the appointment time and observed how nurses, administrative staff and minor staff are behaving with customers. Also direct interviews were being conducted with marketing managers in selected hospitals to collect information about services and facilities available and how they are providing quality service and achieving customer satisfaction.

The third and important instrument used to collect information from customers is a structured questionnaire consisting of 27 questions divided into five sections. Section A is concerned with admission to hospital. Section B is concerned with medical services of the hospital. Section C is concerned with rooms and surroundings. Section D covers all other important services provided by the hospital. Section A, B, C and D are developed to cover five dimensions of quality of service such as reliability, responsiveness, empathy, assurance and tangibility. To measure quality of service 19 positive statements and 2 negative statements are developed. Respondent have to tick the appropriate box which ranking from very strongly agree to very strongly disagree in a 5 point rating scale. Section E is concerned with information specific to customer satisfaction. It covers six components of customer satisfaction namely product, personal charges, services, availability and conveniences in the context of private hospitals industry. Respondents are expected to tick among 5 options available ranking from very much satisfied to very much dissatisfied.

The researcher also selected five point rating scale with the impression that this will be the appropriate scale for the customers to reflect their results, because Apollo Hospital and Nawaloka Hospital are using five point rating scale to measure quality of service and customer satisfaction in their own questionnaires.

The study is confined to the Colombo city due to a high proportion of large private hospitals being concentrated in city climate and the researcher confined this study to a geographical area with which the researcher was more familiar. The study intentionally excludes state owned hospitals as they provide services free of charge and recording more than 100% occupancy rates.

In Colombo there are around seven leading private hospitals. Namely Apollo Lanka Hospital, Asiri Hospital Ltd, Oasis Hospital Pvt Ltd, Nawaloka Hospitals Pvt Ltd, Asha Central Hospitals Ltd, Durdans Hospitals and Grandpass Maternity and Nursing Home Ltd (Sulaimans).

Charges of Frequently used Services
Three hospitals were being identified from above mentioned list representing most expensive, average and the cheapest.
According to the report of the Central Bank of Sri Lanka (2001), the following table shows the performance of private hospitals in Sri Lanka.

<table>
<thead>
<tr>
<th>Performance of Private Hospitals</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital beds</td>
<td>1.565</td>
<td>1.613</td>
</tr>
<tr>
<td>No of patients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-patients</td>
<td>118,515</td>
<td>139,037</td>
</tr>
<tr>
<td>Out-Patients (OPD)</td>
<td>1,225,141</td>
<td>1,365,934</td>
</tr>
<tr>
<td>Doctors</td>
<td>1,140</td>
<td>1,216</td>
</tr>
<tr>
<td>Permanent</td>
<td>182</td>
<td>193</td>
</tr>
<tr>
<td>Visiting</td>
<td>847</td>
<td>906</td>
</tr>
<tr>
<td>Part-time</td>
<td>111</td>
<td>117</td>
</tr>
<tr>
<td>Nursing staff</td>
<td>2,640</td>
<td>2,718</td>
</tr>
<tr>
<td>Nurses</td>
<td>1,891</td>
<td>1,970</td>
</tr>
<tr>
<td>Qualified</td>
<td>1,356</td>
<td>1,407</td>
</tr>
<tr>
<td>Trainee</td>
<td>535</td>
<td>563</td>
</tr>
<tr>
<td>Attendants</td>
<td>749</td>
<td>748</td>
</tr>
<tr>
<td>Other staff</td>
<td>2,495</td>
<td>2,624</td>
</tr>
<tr>
<td>Technical staff</td>
<td>495</td>
<td>526</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>450</td>
<td>475</td>
</tr>
<tr>
<td>Other (labourers etc)</td>
<td>1,550</td>
<td>1,623</td>
</tr>
</tbody>
</table>

These hospitals are selected based on charges of some frequently used services of the main private hospitals.

Apollo Lanka Hospitals, a subsidiary of the Indian chain opened two years ago, probably is the most spacious and has the best designed layout of the private hospital buildings. It is selected, as it appears to be the most expensive of the private hospitals in Sri Lanka.

Nawaloka Hospitals Pvt Ltd, which is a subsidiary of Nawaloka Group of Companies, was chosen to represent the average price level. Finally Durdans Hospitals was selected which appears to be the cheapest among all and caters to the middle class.

**Analysis and Findings**

Data collected from personal interviews using set of questions and observed data.
are presented under qualitative data presentation and the data collected from questionnaires are checked, edited, coded and presented under quantitative data presentation.

Researcher used Microsoft Excel 97 software package to arrange, summarise, present and analyse the data. Arithmetic mean and Pearson Coefficient Correlation functions are used to analyse the data. Analysed data and findings are presented in graphical form in such as column chart, bar chart, pie chart and XY scatter diagram.

**Qualitative Data Presentation**

Apollo Lanka hospital is a part of Apollo Healthcare Group, Asia’s largest private healthcare provider. In November 2002 Apollo Lanka Hospital went for an initial public offer and currently operates as a corporate hospital. There are 242 nurses working in this hospital, 75% of them are Indians. Total number of staffs in this hospital is 800. Currently their bed size is 284, but based on the demand the hospital has the capacity to increase the bed size to 500.

Nawaloka Hospital is a family owned private company. This is a part of Nawaloka Group of Companies. Totally 1,500 staffs are working in this hospital. The bed size of the hospital is 330.

Durdans Hospital is a fully privately owned hospital. They have manpower of 1000 staff. This hospital has the ability to accommodate 145 inpatients at a time.

**Quality medical care by Doctors:**

Apollo has the policy that only its own staff doctors are allowed to practice in the hospital. With it, the hospital is able to create a core staff of specialists who are able to maintain constant quality service. Further more, the hospital is not over reliant on a certain core group of doctors who are able to leave at anytime. Apollo need not suffer deficiency in providing the best in the level of healthcare given that it can tap into the Apollo Group’s extensive number of doctors. At present approximately 75% of the doctors in Apollo are of Indian origin. On call consultants are available 24 hours.

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**Hospitals**

<table>
<thead>
<tr>
<th>Hospitals</th>
<th>Consultation Charges</th>
<th>Full Blood Count</th>
<th>Blood Group Test</th>
<th>Filaria Test</th>
<th>Urine Full Report</th>
<th>ECG</th>
<th>X-ray</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asiri Hospitals Ltd</td>
<td>35</td>
<td>170</td>
<td>155</td>
<td>185</td>
<td>90</td>
<td>230</td>
<td>260</td>
<td>1125</td>
</tr>
<tr>
<td>Sulaimans Ltd</td>
<td>70</td>
<td>150</td>
<td>175</td>
<td>155</td>
<td>90</td>
<td>220</td>
<td>220</td>
<td>1080</td>
</tr>
<tr>
<td>Durdans Hospital</td>
<td>75</td>
<td>170</td>
<td>145</td>
<td>125</td>
<td>85</td>
<td>200</td>
<td>200</td>
<td>1000</td>
</tr>
<tr>
<td>Nawaloka Hospital Pvt Ltd</td>
<td>90</td>
<td>180</td>
<td>160</td>
<td>160</td>
<td>90</td>
<td>200</td>
<td>230</td>
<td>1110</td>
</tr>
<tr>
<td>Apollo Lanka Hospitals</td>
<td>250*</td>
<td>300</td>
<td>430</td>
<td>220</td>
<td>100</td>
<td>350</td>
<td>320</td>
<td>1720</td>
</tr>
<tr>
<td>Asha Central Hospitals Ltd</td>
<td>70</td>
<td>200</td>
<td>225</td>
<td>225</td>
<td>95</td>
<td>250</td>
<td>275</td>
<td>1340</td>
</tr>
<tr>
<td>Oasis Hospital Pvt Ltd</td>
<td>50</td>
<td>200</td>
<td>180</td>
<td>180</td>
<td>80</td>
<td>200</td>
<td>300</td>
<td>1185</td>
</tr>
</tbody>
</table>

*Apollo charges a registration fee for consultation. This is the life time hospital charge after which patients have to only pay the doctor’s charge.

In Nawaloka Hospital and Durdans Hospital, highly qualified top rated doctors visit based on patients' requirements. They also have ward doctors who go for regular ward rounds and are available 24 hours.

**Quality customer service and the staff:**
In Apollo Hospital all nurses have to undergo a training and complete 3 year diploma in General Nursing. They have their own Apollo school of Nursing, which is the first approved nursing school in the private sector in Sri Lanka. The training is mainly focused on patient care and customer service by nurses. Administrative staffs who have direct contact with customers also given initial training on providing customer service. To motivate employees to provide effective customer service Apollo Hospital adopts many practices. They are employee of the month; performances based incentives, family get together and welfare society for staff.

In Nawaloka Hospital too nurses are trained in training school on patient care and work behaviour. Public relations officers walk around the hospital and ensure whether nurses and other staffs provide proper service to customers. Hospital also has a practice of recognising and awarding employee of the year. Nawaloka Hospital was awarded the National Quality award for its excellence in service. To maintain ISO 9002 certification, this hospital has to maintain or increase customer service.

As in other two hospitals in Durdans Hospital too nurses are trained in training schools in providing best nursing care. But they only have salary scheme and no recognition or incentive is given to employees who provide outstanding customer care.

**Image creation and customer attraction:**
Apollo Lanka Hospital is under the wing of Apollo Group, which is a well-developed and known for excellent service. Therefore same image is automatically attached to Apollo Sri Lanka. Since Apollo is equipped with state-of-the-art technology in diagnosis as well as medical treatment, customers are attracted towards Apollo’s service. They have a registering procedure to make the person to take initial step and become as a customer. Registered customers are given preferences and do not need to pay hospital charges for consultancy. Up to now they have 67,000 registered customers. In Apollo Hospital appointments can be made by phone to consult doctors. Apollo uses these ways to attract customers.

Nawaloka Hospital is the leading hospital with latest technology in diagnosis and medical care before the intervention of Apollo to Sri Lankan market. Hospital is not willing to promote health service to general public because they consider it as unethical. But they go to companies and canvas about their medical schemes, packages and insurance.

Since Durdans Hospital is a very old hospital and has a track record of nearly 60 years, it is known by everyone for its service. They provide the facility to book appointments through Sampath bank to reduce the inconvenience of customers.
Quantitative Data Presentation
To identify the respondents' rating for each dimension of quality of service in selected private hospitals, questions related to each dimension are summed and averaged. Mean values of each dimension by all respondents are presented in the following graphs and described.

Reliability, Responsiveness, Empathy, Assurance, Tangibility and Timeliness
To identify customers' rating for private hospitals' ability to perform the promised service dependably and accurately, responses of three positive questions are averaged and presented in figure 2. In total 76% of the respondents agree with positive statements about reliability while 23% of them are neither agree nor disagree with these statements.

To identify staffs' willingness to help customers and provide prompt service, customers rating of 3 positive statements shows that service 75% of the respondents agree with while 23% of the respondents neither agree nor disagree with the statements.

To find out the customers' opinion about caring and individualized attention provided by private hospitals, ratings for three positive questions are averaged. 75% of the respondents agree with the positive statements about empathy while 25% are not sure about whether they provide empathy service.

To measure knowledge and courtesy of hospital employees and ability to convey trust and confidence to customers, ratings of two positive statements related to this dimension are averaged. Only 64% of the respondents agree that private hospitals provide assurances services to customers where 33% of them are not sure about whether private hospitals provide reliable service. 3% of the respondents disagree with the positive statements about assurance.

80% of the respondents agree with the positive statements about appearances of physical facilities and equipments of private hospitals. 20% of the respondents neither agree nor disagree with the positive statements.

To identify whether customers waited long time to get the service, two positive statements and one negative statement is used. Ratings given to negative statement is adjusted accordingly. 70% of the respondents very strongly agree that private hospitals provide timely service while 30% of the customers neither agree nor disagree on the timely service by these hospitals.

Conclusion
Independent variable quality of service consists of six dimensions. To quantify quality of service rating given for each dimension by individual respondent was identified. Detail analysis of each dimension shows that rating for all six dimensions vary between 4 and 5. That means most of the sample customers agree or very strongly agree with the positive statements about reliability, responsiveness, empathy, assurance, tangibility, and timeliness. All the dimensions are combined to arrive at quality of service in private hospitals and the 60% of the respondents agree with the positive statements about quality of service. The overall average of quality of service by all respondents is 4.1874. This average is near to rating 4. This average...
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highlights that most of the customers agree that private hospitals provide quality service.

Dependent variable customer satisfaction was derived by assigning values for key components of satisfaction such as product, personnel, price, availability, services and convenience. Data analysis shows that 53% of the customers are satisfied while 47% of them neither satisfied nor dissatisfied. Overall average of customer satisfaction was 4.226. This average figure is near to rating 4. Therefore it can be taken as most of the customers are satisfied in private hospitals.

To identify relationship between quality of service and customer satisfaction Pearson coefficient of correlation is calculated. Hypothesis was statistically defined as $H_0 : r = 0$ that is if correlation is equal to 0 there is no relationship between the quality of service and customer satisfaction. $H_1 : r > 0$ that is if correlation is positive figure there is positive relationship between quality of service and customer satisfaction.

The correlation between the two variables is +0.807474. Hence this is a positive figure near to one there is positive relationship between these quality of service and customer satisfaction. Calculated Z score value is +6.409. At 1% significance level critical Z score value is +2.33. Hence calculated Z score value is greater than the critical Z score value null hypothesis was rejected and alternative hypothesis was accepted. The probability of there is no relationship between quality of service and customer satisfaction is 0. All above analysis conclude that there is positive relationship between quality of service and customer service. The major conclusion of this study is that higher (lower) level of service quality result in higher (lower) level of customer satisfaction.

Customer satisfaction in private hospitals

Customers of Apollo Hospital come out with highest satisfaction rate of 87%. Apollo hospital is the most expensive hospital in Sri Lanka. High satisfaction rate by customers may be because of healthcare people give more importance for medical care, specialties and medical facilities available than to charges. Other reason may be their customers' mostly high-class people who are less price conscious and give more value for facilities and comfort. Durdans Hospital is with 67% satisfaction rate is the cheapest among leading private hospitals in Sri Lanka. High satisfaction rate in Durdans hospital when compared to Nawaloka may be because same levels of services are provided at lower charges in Durdans Hospital. Nawaloka hospital shift from high-class market to middle class because of Apollo's entrances. But middle class people are not satisfied with the charges.

Researcher conducted a personal interview with relevant officers in the selected hospitals to understand the size, customer care, infrastructure facilities, and characteristics of the selected private hospitals and study extent of specialty services and medical facilities offered to customers. Each aspect was discussed in detail in the context of all three hospitals under qualitative data presentation. Apollo hospital is in a superior position in most of the above explained areas. Nawaloka and Durdans hospitals are in the similar condition, but Nawaloka hospital is large in Size.
The figure compares the values of quality of service and customer satisfaction for the whole sample. It can be clearly seen that all points are moving together in the positive direction. Customers who feel quality of service as high are more satisfied than who perceived it as low.

**Suggestions for further Research**

The nature of the relationship between quality of service and customer satisfaction appears to be an area in great need of additional exploration. Future studies should consider other attitude-based conceptualizations and extend beyond the private hospital industry sampled in this study.

The impact of service quality and customer satisfaction on customer retention and loyalty is also appears to be an interesting area for future research. Perhaps consumers do not always buy the best quality service; they might look for customer delivered value. Future research should extent to develop customer delivered value in measuring service performances.

The researcher selected high involvement health sector to identify relationship between quality of service and customer satisfaction. Future study should be done on low involvement industries and comparison of result with high involvement industry.

In designing the study researcher attempted to minimize its limitations. However, generalizations beyond the private hospital industry to health industry or to other industries are not advisable. Limiting the study to the three leading private hospitals may also have affected the variable distributions and, hence, the importance of the predictors.

Services provided by private hospital industry are a high involvement service. Role of service quality might be different in low involvement services therefore generalization of the result is not tenuous.

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